



Daily Report

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Daily Report

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16 January 1991

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Commentary Views U.S. 'Responsibility' for Peace

OW1601022391 Beijing XINHUA Domestic Service
in Chinese 1732 GMT 15 Jan 91

[Commentary by XINHUA reporter Yang Can (2799 3503): "There Is No Deadline for Peace"]

[Text] Beijing, 15 Jan (XINHUA)—UN Resolution 678 has set a final deadline for Iraq to withdraw from Kuwait by 15 January. The Gulf crisis, which has continued for more than five months, is seemingly facing the critical juncture of war or peace today.

Since the Gulf crisis erupted, efforts to seek a peaceful settlement of it have never stopped, even though the threat of war has grown. True, the development of the Gulf situation in the past few days did not bring about glad tidings of peace. Following the failure of the U.S.-Iraqi foreign ministerial meeting on 9 January, which was watched closely by the whole world, the UN secretary general's trip to Baghdad on 12 January also failed to produce any result. In the wake of the U.S. congressional vote on 12 January authorizing President Bush to use force against Iraq, the Iraqi National Assembly on 14 January expressed unanimous support for President Saddam's stance of confrontation. At the present time, with the glaring confrontation between the 670,000 multinational troops led by the United States and the 1 million-strong Iraqi Armed Forces, war may be triggered at any moment. Meanwhile, however, mediations for peace by the international community also have intensified. The EC, Arab countries, and the United Nations have, respectively, put forward, or are in the process of putting forward, various peace proposals, while members of the UN Security Council are constantly consulting with each others, and peace emissaries are continuously going to Baghdad. We can say for sure that so long as there is a glimmer of hope for peace and a possibility for preventing war at the last moment, the international community should continue the efforts for peace as before.

Continuing contacts and talks by all parties concerned is the correct path which will lead to a peaceful settlement of the Gulf crisis. The United States and Iraq, as the two sides of the conflict, shoulder a special responsibility for peace. Iraq, which first committed the mistake of invading Kuwait, should have the courage to comply with the international community's strong demand and implement the relevant UN resolutions by immediately pulling its troops out of Kuwait. An initiative to mend one's own mistake is by no means tantamount to surrender and will definitely win due appraisal from the international community. Should Iraq continue the so-called "resistance against history," and should it even not hesitate to go to war and make the "ultimate sacrifice" to protect its vested interests in Kuwait, it can only commit another major mistake. By retreating there will be room for maneuver. Iraq should decide promptly and opportunely.

The United States also bears a special responsibility for a peaceful settlement of the Gulf crisis. Whether or not the Gulf crisis will lead to war lies, to a certain extent, in the hands of the United States. Although UN Resolution 678 authorizes its member states to use all necessary means to implement the relevant resolutions if Iraq does not withdraw its troops from Kuwait by 15 January, this absolutely does not mean that 15 January is the end of efforts for peace and that war is the only option. As long as the possibility for a peaceful settlement of the crisis exists, the United States should continue to pursue the goal of peace instead of opting for war in haste. A review of the 11 resolutions adopted successively by the United Nations on the Gulf crisis shows that although some contain severe measures on sanctions, all resolutions are aimed at seeking a political, not military, solution to the Gulf crisis. War in the Gulf region will not only undermine political and economic stability in the Middle East, but also throughout the world. It will have even more serious consequences for the interests of the United States itself. This is self-explanatory.

So far, the international community has put forward various proposals for solving the Gulf crisis. They can be summarized as the following major points: Iraq should immediately pull its troops out of Kuwait; international peace forces should be deployed in the disputed areas between Iraq and Kuwait; foreign troops should be withdrawn from the Gulf region after an Iraqi pullout; and the UN Security Council should implement the relevant resolutions on the Arab-Israeli conflict and promote the convocation of an international conference on the Middle East question. If the United States and Iraq are sincere in their desire for peace, they might as well seriously consider these proposals and show a certain flexibility in their respective policies so that the Gulf crisis can be overcome and a peaceful solution can ultimately be found. The Iraqi invasion of Kuwait and the Arab-Israeli conflict are two questions, and both should be solved justly. Whether or not there is a link between these two questions—or whether they should be linked together—is a secondary issue.

Although the 15 January date for a military solution of the Gulf crisis is imminent, there is still a prospect for a peaceful settlement. The international community fervently hopes that both the United States and Iraq will regard the date as a new starting point for peaceful efforts because there is no deadline for peace.

Commentary Notes People's Desire for Peace

OW1601110791 Beijing XINHUA Domestic Service
in Chinese 0708 GMT 16 Jan 91

[By XINHUA reporter Xu Boyuan: "Short Commentary: Stop the War!"]

[Text] Beijing, 16 Jan (XINHUA)—When the clock in Beijing strikes 1300 today, it means the deadline set by United Nations Security Council Resolution 678 for Iraq

to pull out from Kuwait is due. From that moment on, a war can break out in the Gulf region at any time.

U.S. troops in Saudi Arabia, numbering more than 400,000, have been gradually escalating their alertness. As for Iraq, not only has it refused to compromise, but it has become even more unyielding. All countries in the Gulf region ordered their troops to be on the alert.

The danger of war has loomed large.

People do not want war, however. For days, people in various big cities have been demonstrating against war. Demonstrators from New York to Chicago, and from Washington D.C. to San Francisco, numbering from a few hundred to several thousand, are shouting: "We don't want war!" "No blood for oil!" According to a poll cosponsored by CBS and the NEW YORK TIMES on 15 January, 47 percent of those who were polled were in favor of using force, and 46 percent were against it, and so the the numbers of those for and against war are almost the same.

The antiwar demonstrations in Europe are even more momentous. On 12 January, 200,000 people in about 70 cities in Germany took to the streets to pray for peace. In Paris, the capital of France, the number of demonstrators reached 100,000. In London, the capital of Britain, hundreds of candle-holding demonstrators gathered at the downtown square last evening to call for a peaceful settlement of the Gulf crisis. The size of antiwar demonstrations in Italy yesterday was even larger than that on 12 January. The 10 million or so workers in the country staged a general antiwar strike for five minutes. In the Middle East, similar demonstrations have also taken place in Yemen, Tunisia, and the Israel-occupied areas.

The United States has fought two large-scaled regional wars since World War II. The first one was the Korean War in the 1950's, and the other was the Vietnam War between the 1960's and 1970's. During the Korean War, the large-scale antiwar demonstrations in the United States did not occur until the final stage of the war. During the Vietnam War, antiwar demonstrations began after the war had gone on for just a few years. This time, sizable antiwar demonstrations have erupted even before a war has broken out. Moreover, people have come to realize that "blood should not be shed for oil." After the Vietnam War, some American people said jokingly that the United States was not defeated by the Vietnamese, but by the antiwar sentiments at home. How about the Gulf war this time?

On the surface, the situation in Iraq is totally different. Yesterday, five million people across the country staged mammoth parades to support President Saddam's determination to "defend" Kuwait. On the other hand, people complained privately: "We only have had two years of peace." People in Baghdad are buying used vehicles in panic these days, and they are prepared to flee Baghdad once the war starts. As a result, used car prices have risen by nearly 50 percent in just a few days. A Gulf war would only mean even greater agony and disaster for the Iraqi

people. People still vividly remember that 100,000 Iraqis died during the Iran-Iraq war.

Peace should be valued. It is what the people want. People of the United States, Iraq, and the world over all hope that, as long as there is still a little hope, war should not be allowed to occur.

Editorial Urges Caution in Gulf Crisis

HK1601031591 Hong Kong WEN WEI PO in Chinese
16 Jan 91 p 2

[Editorial: "Will There Be War or Peace as Deadline Expires?"]

[Text] The Security Council's deadline for withdrawal of Iraqi troops from Kuwait expires at 1300 this afternoon. While the United Nations secretary general has indicated that the Security Council will not give up its efforts for a peaceful solution, the United States has asserted that force may be used at any time.

As the deadline nears, people all over the world wait with bated breath to see if war will break out in the Persian Gulf.

U.S. President Bush has consistently adopted a strategy of forcing peace with the threat of war. Since he has already obtained an endorsement from both the Senate and the House of Representatives to use force, he is literally riding on a tiger's back. If he does not declare war, it looks like it would be difficult for him to back off now.

The situation remains very delicate, however. Baker and Aziz held a six-hour talk on the ninth of this month. At the first instance available, Baker phoned Bush to give him a report on the talks. Bush then immediately reported the situation to Mitterand. Before going to Iraq to mediate on the matter, the UN secretary general first met with Mitterand. After the failure of his diplomatic mission, he again gave Mitterand a briefing before returning to New York. It had been noted that in the flurry of consultations and negotiations concerning the Persian Gulf, was Mitterand to play a particularly important role with the tacit approval of certain people?

Indeed, more than 10 hours before the expiration of the deadline, France came out with a "Six Point Peace Plan". The Security Council immediately held a discussion. While Britain deemed it too late to seek peace, the Soviet Union, Germany, Western European countries, and the Arab states all supported France's peace proposal. Yesterday, Chinese Premier Li Peng stressed that all countries should exert every last effort as long as there is a glimmer of hope for peace.

France's proposal did not contain any element of compromise. Instead, it obliterated the deadline set for 15 January, and suggested that talks be held as long as Iraq announces a timetable for troop withdrawal; France also proposed that a United Nations force replace the current

Western multinational forces and assured that Iraq will not be attacked. It also promised to hold an international peace conference on the Middle East. All these were a marked departure from the United States' stance and represented a breakthrough from the U.S. stipulation of "no negotiations, no compromise, and no face-saving."

Iraq has always refused to recognize the Security Council's deadline and has deliberately tried to overcome it by "procrastination." It appears that there is a chance of a breakthrough before 15 January. Meanwhile, Iraq is secretly hoping to be lucky, thinking that the United States will not open fire once the deadline lapses. That will then give Iraq, morally, an "Ah Q-style self-satisfaction" for not having yielded in the face of war. [Ah-Q refers to the protagonist of a famous 20th-century short story. He typifies those who cope with failures or setbacks by rationalizing them into moral or spiritual victories.]

With both the United States and Iraq refusing to compromise, the possibility of war has grown much higher. Iraq has declared that it would use missiles to attack Israel if it is attacked. By doing so, it would force Israel into the war, push the Arab states in alliance with the United States against the wall, and taint them with violations of Allah's teachings, thus breaking up the U.S.-Arab alliance. If Israel joins the war, Syrian troops will fight against the Israeli forces. All signs have indicated that fighting will not be limited to Kuwait but could involve all of the Middle East and result in a mixed war. The destruction of war could be much more serious than most people have expected.

The Western European countries have estimated that war in the Persian Gulf would deal an unusually heavy blow to a world economy already on the decline. Because of the differences in the interests of Western European countries and of the United States, U.S.-European differences on how to handle the Persian Gulf situation have deepened. If the U.S. forces cannot win the war swiftly, Western Europe may not continue to support U.S. military action. The United States may then have to fight the war all by itself.

Antiwar mass rallies have taken place in Western Europe and the United States. The antiwar activists have pointed their fingers at Bush, stressing that there should be "no fighting for Bush." They maintained that a large-scale bloody war could have been avoided were it not for Bush's "Rambo" mentality and his painstaking attempt to leave his name in U.S. history books as the president who led the United States to victory in the first large-scale war since 1945. Given this situation, even if Bush wins the war, he would still come under enormous political pressure. If fighting is prolonged endlessly, the awkwardness of his situation can be imagined.

Bush is a pragmatic politician. The initiative for war or peace is in his hands. It is believed that he will deal cautiously with the Persian Gulf situation, which affects the well-being of the entire globe.

Gulf War Seen Leading to 'Dangerous Trends'

*HK1601071991 Hong Kong TA KUNG PAO in Chinese
16 Jan 91 p 3*

["Political talk" column by Shih Chun-yu (2457 0689 3768): "There Are Three Dangerous Trends in Making War"]

[Text]

Iraq Wants To Fight a Protracted War

If war breaks out in the Gulf region and it cannot be made decisive, there will be three worrying trends: First, the war will last long; second, it might turn into another Middle East war between Arab states and Israel; and third, Israel may possibly resort to nuclear arms, which will give rise to more serious consequences.

Baghdad is sure to make every possible effort to fight a protracted war under a "holy" banner. At an emergency National Assembly meeting on 14 January, Saddam announced to the country as follows: "Iraq will launch a holy war against the United States under the banner of justice, and everyone must rise up and fight through to the end!" He ordered the words "Great Allah" to be written at the bottom of each Iraqi national flag. During the Iran-Iraq war, Iraq used Islamic spirit to arm its soldiers so that they charged forward and felt glorious to die in war. If the U.S. forces bombard Baghdad and kill many Iraqi people, or if U.S. troops enter Iraq for battle, this will certainly evoke a prolonged resistance feeling among the Iraqi people. Following changes in the situation, religious spirit and national sentiments will keep stimulating the Iraqi people. These will also cause other Arab states to separate themselves from the United States and side or sympathize with Iraq.

Observation by British Military Strategists

Duncan, deputy director of the British International Institute for Strategic Studies, said in London on 14 January that war will break out about a week after the deadline. In the beginning the multinational forces will launch over 2,000 strong air raids every day. After two or three consecutive days of bombing, seven tank divisions headed by the U.S. and British forces will move toward Kuwait, but the real ground battles will take place near Basra, where the multinational forces will encounter Saddam's elite defense garrison. Iraqi troops will use their dugouts in the desert for defense, with solid fortifications built to conceal 2,000 big guns and 2,000 tanks. If the air superiority of the multinational forces cannot completely paralyze Iraq's ground and mobile forces, the war will drag on.

Algeria, Jordan, Yemen, and Libya still remain neutral so far. Although they are opposed to Iraq's invasion of Kuwait, the situation will change if Israel gets involved in the war. Even Iran, which was Iraq's sworn enemy, will change its stand and oppose Israel if Israel gets involved, as will the pro-American Egypt.

If war breaks out in the Gulf region, Iraq will attack Israel, and Israel is bound to get involved.

In addition, British Defense Secretary Thomas King said during an interview with the British Broadcasting Corporation on 13 January: "When Iraq attacks Israel with chemical weapons, neither Britain nor the United States can prevent Israel from counterattacking with nuclear weapons."

The Possibility of Nuclear War

This suggests that Israel will use nuclear weapons (Israel now has over 200 nuclear warheads) and formally reveals that Israel has nuclear weapons. If Israel uses nuclear weapons, this will be a new record in all local wars since the end of World War II. U.S. aircraft carriers stationed in the Gulf are all equipped with nuclear weapons. The United States and Britain have warned that if Iraq dares to use chemical or biological weapons, it will encounter attacks by all possible military means. This indicates the possible use of nuclear weapons.

After war breaks out, terrorist activities will spread to different parts of the world, particularly to the United States and Britain. Millions of Arabs, including Iraqi nationals residing in Europe and the United States, will face a difficult situation. They will be subjected to arrests and surveillance by the relevant governments.

In short, if war breaks out in the Gulf region, it will be difficult to stop. Many countries in the world, particularly Third World nations, will suffer from a worldwide energy shortage and economic recession.

At this explosive moment, the United States should delay the launching of war for peace in the Middle East and for Iraq to withdraw from Kuwait. As long as the economic blockade remains, Iraq will agree to withdraw from Kuwait sooner or later; otherwise the United States may possibly fall into a disastrous pit as it did in the Vietnam war.

Editorial Discusses Danger in World Situation

*HK1601071591 Hong Kong TA KUNG PAO in Chinese
16 Jan 91 p 2*

[Editorial: "Hot War Danger Increases, Cold War Does Not End"]

[Text] The Gulf situation is in imminent danger! After noon today, the international troops headed by the United States may at any time launch an attack on the Iraqi troops, which are occupying Kuwait, and Iraq may also take preemptive measures to strike first. The war may not be restricted on the western front. It may extend to the eastern front and involve Israel. At present, more than 1 million troops are ready in full battle array in the Gulf area, and large quantities of modern conventional weapons, chemical weapons, and even nuclear weapons are being stockpiled there. Once war breaks out, it could cause heavy casualties in the region and bring about

unpredictable harm to the whole world. All peace-loving people in the world cannot help asking: Why should war break out?

Last week, after the failure of the Geneva talks between the American and Iraqi foreign ministers, U.S. Secretary of State James Baker said there were too many "miscalculations" on the Iraqi side. In the past week, some top U.S. Government officials also admitted that there are also miscalculations on the U.S. side in dealing with Iraq and its president, Saddam Husayn. For example, they thought he did not know that the United States is resolved to fight and they could force him to withdraw merely by making a display of military strength and implementing the "brinkmanship policy." After the openly announced deadline of 15 January, the "brinkmanship policy" will fail and war will be on the verge of breaking out. In the 1990's, mankind is still unable to prevent the tragedy of massive killing. There are subjective factors, including miscalculations; but there are also objective contradictions and clashes.

Historically, the Middle East was always a stage for the two superpowers—the United States and the Soviet Union—to show their strength. Over the past decades, all kinds of forces have been engaged in sharp struggles and contentions in that area. With changes taking place in the Soviet Union and East European countries and the breaking of the "Yalta pattern," Iraqi President Saddam chose the current opportunity after the eight years of the Iran-Iraq War to attack and occupy Kuwait, thus trying to establish new hegemony in the Arab world. The United States never made such strong response toward the Vietnamese invasion of Cambodia or the Soviet invasion of Afghanistan. The U.S. ruling clique also selected the current opportunity to promptly throw massive military forces into the Gulf area, which is of great strategic importance, thus trying to establish a "new world order" according to the blueprint of the United States. There are uncompromising contradictions between the regional order envisaged by Iraq and the world order envisaged by the United States. That is why they tend to resolve the contradictions by means of war.

Over the past year or so, there has been relaxation in East-West relations represented by the relations between the Soviet Union and the United States. The kind-hearted people throughout the world expected that there would be peace in the world. Some even believed that the fact that the Soviet Union and East European countries had drawn closer to the West would indicate "an end to history." As a matter of fact, the contradiction between the countries with different social systems is neither the only contradiction in the world nor is it the main contradiction in most cases. There are still many factors that may spark confrontation and conflicts. Now that the old pattern of the world has been broken and the new pattern has not yet been established, because of the reorganization of all kinds of political forces, many political, economic, and nationality problems are sharpening and, the international situation is still turbulent. There is still no peace and tranquillity in this world.

While there is an increasing danger of war in the Gulf area, the development of the Lithuanian situation has brought about new problems to U.S.-Soviet relations. The Lithuanian issue is the continuation of a dispute since World War II. As a matter of fact, the "cold war" between the United States and the Soviet Union is not yet over. Only recently, the head of the Soviet National Security Committee was still criticizing the subversive acts of the United States; however, even if the U.S.-Soviet cold war ends, there will still be the continuation of cold war among the developed countries and between some developed countries and the developing countries. The CIA [Central Intelligence Agency] of the United States revealed that a considerable quantity of resources have been used to obtain scientific and technological information and economic information to deal with countries, including the Soviet Union. In this respect, profound contradictions that cannot be easily eliminated with good intentions do exist.

A correct appraisal of the world situation is an important starting point. When reviewing the past and looking forward to the future at the end of last year and beginning of this year, the Chinese leaders repeatedly pointed out that the world is not as tranquil and peaceful as some people think. China is a developing country. Under the current turbulent international situation when the old pattern is being replaced by the new, it is still working hard to strive for a peaceful environment for its economic construction. At present, as China can only have a limited influence on the world situation, what it can do is to handle its own affairs well rather than play unrealistic roles in the international arena; however, it should render greater contributions to mankind when greater achievements are made in its modernization drive.

Beijing Analyzes Gulf Crisis

OW1501153791 Beijing in English to Western North America 0500 GMT 15 Jan 91

[Radio Beijing analysis—by (Fang Lin)]

[Text] The Gulf crisis is fast approaching its most critical moment. The UN deadline for Iraq to withdraw from Kuwait is just one day away.

UN Secretary General Javier Perez de Cuellar concluded his talks with Iraqi President Saddam Husayn in Baghdad on Sunday evening. The last-minute talks were an attempt to avert war, but the UN leader said his talks had not achieved any progress for peaceful solution to the crisis. Before leaving Baghdad for Paris, Javier Perez de Cuellar said that only God knows whether there would be peace or war in the Gulf. Later, after a meeting with French President Francois Mitterrand in Paris on Monday, the UN chief said that there is now no hope for diplomatic settlement for the Gulf crisis.

On Saturday, the United States Congress voted to authorize President George Bush to use force against Iraq. International opinion believes this is America's de facto declaration of war on Iraq. Clearly, the danger of war

looms large and the crisis has entered its most critical hours. But still, the international community is making last-minute efforts to find a peaceful solution to the crisis. The door to peace has not yet slammed shut. U.S. President George Bush said on getting the authority from Congress that the move does not mean that war is inevitable. He said the United States will continue to hold open the door for diplomatic initiatives and that seeking peace [as heard].

At the same time, an antiwar movement is building around the world. In Europe, the United States, Latin America, and other parts of the world, hundreds of thousands of people have taken to the streets to protest against war in the Gulf and to demand that Iraqi troops leave Kuwait peacefully. The international community has proposed many plans to solve the Gulf crisis without war. Iraq has set out demands for Western countries concerning a guarantee of the safety of Iraq, the future of Kuwait, and linkage to the Palestinian issue. Western countries have said they can make some arrangements for the first issue, the safety of Iraq. The European Community has clearly said if Iraq withdraws from Kuwait it will not suffer any armed interference. UN Secretary General Javier Perez de Cuellar has even proposed a UN peace-keeping force to support this guarantee. The United States has said it has no objection to this plan. The second issue is Kuwait. It has been suggested that, in restoring Kuwait's sovereignty, Arab countries will redesign the Iraq-Kuwait boundary through internal consultation. In this way, it can be decided if Kuwait would give Iraq an opening to the Persian Gulf. The United States seems to have no objection to this plan either. The third problem is the Palestinian linkage. Western European countries refuse to connect the Gulf crisis to other Middle East issues. But they have promised to hold an international peace conference to deal with all Middle East concerns, including the Palestinian issue, after the Gulf crisis is resolved. The United States seems to be considering an acceptable proposal, but is reluctant to say it supports in so many words.

There are two critical points in the previous [word indistinct] proposal. They are Iraq's withdrawal from Kuwait and restoration of Kuwait's sovereignty. The absolute key is Iraq's withdrawal. It is hoped that as the clouds of war darken, the Iraqi leader will make a wise and resolute decision to withdraw from Kuwait. Only in this way can war be averted, a war that will be deadly and devastating for the world and the Middle East, but especially for Iraq.

DPRK, USSR Agree on Military Cooperation

OW1301084291 Beijing XINHUA in English 0829 GMT 13 Jan 91

[Text] Pyongyang, January 13 (XINHUA)—The army leaders of the Soviet Union and the Democratic People's

Republic of Korea (DPRK) pledged at a meeting here today to strengthen the military cooperation between the two countries.

The meeting was sponsored by the Ministry of People's Armed Forces to welcome a Soviet military delegation led by Vice Defense Minister Konstantin Kochetov, the newspaper "NODONG SINMUN" reported here today.

Vice Minister of the DPRK Ministry of People's Armed Forces Kim Gwang-jin said at the meeting that the Soviet delegation's visit will help cement the unity and friendly cooperation between the armies of the two countries.

He said that the DPRK will make active efforts to consolidate and develop the traditional ties of cooperation between the two armies.

Kochetov said that regular contacts and exchange of visits between the Korean People's Army and the Soviet armed forces of the Far Eastern war zone and the Soviet Pacific Fleet are in keeping with the interests of the two peoples.

Kochetov noted that the Soviet Union fully agrees with the DPRK stand to end military confrontation on the Korean Peninsula, to see disarmament in both the North and the South and to have foreign troops and nuclear weapons withdrawn from South Korea so as to turn the Korean Peninsula into a peaceful and nuclear-free zone.

Luo Gan Heads Delegation to Zimbabwe, Burma

*OW1601034691 Beijing XINHUA in English
0205 GMT 16 Jan 91*

[Text] Beijing, January 16 (XINHUA)—Luo Gan, secretary general of the State Council, left here by air this morning at the head of a Chinese Government delegation on a goodwill visit to Zimbabwe and Myanmar [Burma] at the invitation of the governments of the two countries. The delegation will also attend celebration ceremonies for the completion and transfer of two projects there.

Among those seeing the delegation off at the airport were He Chunlin, deputy secretary general of the State Council, Yang Fuchang, vice-foreign minister, Wang Wendong, vice-minister of foreign economic relations and trade, and diplomatic envoys of Zimbabwe and Myanmar to China.

United States & Canada

Article Analyzes U.S. Economic Recession

*HK1601053391 Beijing RENMIN RIBAO in Chinese
6 Jan 91 p 6*

[Article by staff reporter Zhang Liang (1728 0081): "Characteristics and Development Trend of United States Ninth Postwar Economic Recession"]

[Text] Washington (RENMIN RIBAO)—A subordinate commission of the "National Economic Research Service" of the United States concluded recently that the U.S. economy fell into a recession beginning last summer. Discussions currently carried out in major U.S. newspapers and the economic circles no longer center on the question of whether or not the U.S. economy will enter a recession, but on the reasons, degree, and duration of this recession.

It is reported that the conclusion of the aforementioned commission is based on a thorough analysis on the series of economic indexes recently issued by the government, including the following:

- Industrial production in September, October, and November kept going down, including a 1.7-percent drop in November;
- The rate of unemployment rose from 5.2 percent in June to 5.9 percent in November;
- The leading economic indicators used to predict economic trends were on the decline for five consecutive months. Generally speaking, a continued drop for three months of this index indicates the possibility of an economic recession;
- The rate of housing starts came down for nine months in succession from February to October;
- Orders for durable goods dropped by 10.5 percent in November, a month that saw the biggest drop in 32 years.

If affirmed by the government, this will be the United States' ninth postwar economic recession. Experts hold that factors leading to this recession are different from those leading to previous ones. The major reason for the previous several recessions was overproduction, while the reasons for this recession are the huge debts owed by the federal government, corporations, and individuals; banks' tightened control over credits; and surplus housing. Undoubtedly, the rise in oil prices has also played a "catalytic" role to a certain extent.

First, the "hidden peril" of huge debts finally emerged. In the 1980's, the U.S. national debt as well as debts owed by corporations and individuals swelled year by year. By the end of 1989, these three debts came to \$9,200 billion, nearly 200 percent of the current annual GNP of the United States. As a result of the unduly heavy burden of debts, the federal government, corporations, and individuals began to adopt retrenchment measures last year. The government increased taxes and reduced expenses. Corporations announced big cuts on the number of their employees to reduce labor cost. Regarding individuals, many families economized on food and clothing, and deferred purchasing big items such as houses and cars. With reduced demands, corporations had no alternative but cut down production. Huge bonds and private debts have also exerted great pressure on the Federal Reserve Board. Although signs

of recession appeared in the U.S. economy earlier last year, the Federal Reserve Board did not want to ease its control on money supply for fear that inflation might revive. Commercial banks did not want to lower their interest rates either. Last year's prime rate stood at a high level of 10 percent throughout the year. The interests of consumer loans for purchasing durable goods also stood at a high level all the time. All these resulted in a drop in corporate investments and individual consumption.

Second, commercial banks imposed strict control over credit. According to statistics, a mere growth of only 0.2 percent was registered in loans granted by commercial banks in the period from November 1989 to November 1990, a growth rate much lower than the seven percent in the previous year. This undoubtedly brought about adverse consequences to the economy. On the other hand, the reason commercial banks tightened their control over credit is that the whole banking industry is currently in a predicament. The savings and loan institution crisis will cause a huge loss of \$500 billion to the taxpayers in the United States. Since last year, there has been a big decrease in banking profit, and losses have even been incurred in some major banks. The biggest reason for this is that commercial banks granted an excessive amount of loans to real estate dealers in the 1980's, and it is now hard for them to recoup some of the loans they have granted.

In addition, supply exceeds demand to a large extent in the housing market. Taking office buildings for example, the current rate of unoccupied office buildings in major cities throughout the country is as high as 18.6 percent. The rate of housing starts came down for nine months from February to October, and the unemployment rate of construction workers is as high as 13.6 percent, the highest unemployment rate among all trades and professions. The depression in the housing industry will inevitably affect its related material industries, and will also constitute a threat to the banking system.

How serious is this recession going to be? And how long will it last? There are different opinions on these questions in the economic circles here. According to general estimates, the GNP in the fourth quarter of 1990 and the first one of 1991 will go down by about two and 1.5 percent respectively. A majority of people also estimate that the economy may begin to recover from the second quarter of 1991. The momentum of recovery is unlikely to be very strong, however, because it is impossible for any improvement to be made on the three major factors leading to this economic recession in a short period of time. Instead of being reduced, the financial deficits of the Federal Government will continue to expand. It is estimated by the Congressional Budget Committee that the financial deficits of the federal government in fiscal year 1991-1992 will surpass \$300 billion. It will also take a long time for the banking industry to free itself from the current predicament. Proceeding from the consideration of their own interests, banks will not readily loosen their control over credit. It is even harder for the real

estate industry to recover. Moreover, it is also difficult for the trends of consumption to attain a rapid revival with a huge burden of individual and family debts. Affected by all these, corporations are unlikely to expand production by a big margin. Some economists also hold that both the degree and duration of this recession are also decided by other two factors: One is the way in which the Gulf crisis is resolved and the other the situation of economic development in other major Western countries. The former involves the trend of oil prices while the latter has a bearing on the prospect of the U.S. exports.

In sum, the economic recovery since the end of 1982, though the longest one during the postwar peace time, has simultaneously given rise to some major problems that have caused the economy to fall into a recession again. It is not an easy thing to resolve these problems, and it is still too early to predict the date of the next economic recovery.

Soviet Union

Salvation Committee Takes Over in Lithuania

*GW1301145191 Beijing XINHUA in English
1441 GMT 13 Jan 91*

[Text] Moscow, January 13 (XINHUA)—The Lithuanian National Salvation Committee, an organization formed on Friday, announced today that it has taken control in the turbulent Baltic state.

The committee is dedicated to maintaining Lithuania as a state within the Soviet Union.

TASS quoted a leader of the committee as saying: "We have to take this extreme measure since the Lithuanian Supreme Soviet has lost control of the situation."

He said the Salvation Committee would "calm the people, restore the normal functioning of enterprises and try to return power to a legal government."

Radio and television would resume broadcasting very soon.

"The constitutions of the Soviet Union and the Lithuanian Soviet Socialist Republic will gradually be implemented," he said.

Earlier today, the Salvation Committee called for Soviet interior forces and the Vilnius garrison to take over the radio and television buildings.

A group of people who had stationed themselves within the buildings resisted the army, and in the struggle two people are known to have been killed and at least 32 injured.

The committee leader said most of the injuries were caused by the crush of the crowd when tanks fired in front of the building.

He said people in the building flung stones at the crowd and the army fired back. One of the dead was an officer.

Gorbachev Says Dialogue 'Particularly Fruitless'

OW1501023991 Beijing XINHUA in English
0219 GMT 15 Jan 91

[Text] Moscow, January 14 (XINHUA)—Soviet President Mikhail Gorbachev said today that his dialogue with Lithuanian leader Vytautas Landsbergis was "particularly fruitless."

After the talks which were held by telephone earlier in the day, Gorbachev told the Supreme Soviet "it is hard to find a way for dialogue when the republic is headed by such a person."

"There is a serious confrontation going on in Lithuania, one which in fact is seeing the social fabric of the republic being torn apart", Gorbachev said.

Gorbachev concluded his remarks by saying, "The Lithuanian issue is of great, principled and important significance to all of us."

On Sunday, a curfew was imposed in Vilnius, capital of Lithuania, and in Kaunas, one of the republic's industrial cities. A National Salvation Committee declared to have taken control of the republic on the same day, a week after angry Lithuanians went to streets to protest the government's decision to raise food prices.

Following Lithuanian Premier Kazimiera Prunskiene's resignation last Tuesday, Lithuanian workers went on strike Thursday demanding direct presidential rule within the republic in order to have peace and order restored.

Soviet interior troops who moved into Vilnius on Friday met with resistance by Lithuanian separatists. In the ensuing clashes, 13 people were killed and 122 wounded.

Urges Baltics To Follow Constitution

OW1601054391 Beijing XINHUA in English
0346 GMT 16 Jan 91

[Text] Moscow, January 15 (XINHUA)—Soviet President Mikhail Gorbachev today called on the leaders of the three Baltic republics to stop making decisions that infringe upon human rights and issuing negative statements about the country's leadership.

In a conference of the Supreme Soviet today, Gorbachev stressed that both the central and republic governments should abide by the country's Constitution and guarantee people's safety.

As long as there are illegal weapons floating around, there will be no peace, he said.

The president called on the central and republic governments to act in concert to carry out the president's decree

on the prohibition of establishing private armed forces and the confiscation of unauthorized guns.

According to the Soviet news agency TASS, in Vilnius, Soviet Vice Interior Minister Nikolay Demidov today displayed weapons confiscated in Lithuania.

He said last year 178 weapons were confiscated in Lithuania, but last Saturday alone 70 weapons and 38,000 rounds of ammunition were seized.

The political situation in Lithuania is still tense. Certain elements in the republic have been persecuting Communist Party members since the current conflict erupted on January 12.

Kazimiras Moteka, vice president of the Lithuanian Supreme Soviet, today suggested that the republic's parliament deprive Communist Party members of their parliamentary membership.

TASS reported that Mykolas Burokevicius, Politburo member of the Soviet Communist Party Central Committee and first secretary of the Lithuanian Communist Party Central Committee, was placed on a death list.

The Committee of National Salvation and Constitutional Guarantee today appealed to Gorbachev and Anatoliy Lukyanov, president of the Supreme Soviet, to "immediately introduce the presidential rule" in the Lithuanian Republic.

The appeal stressed that any delay in acting will have serious results, causing economic collapse and violent death.

The committee also warned Vytautas Landsbergis, president of the Lithuanian Supreme Soviet, that "any actions of infringing on lives and rights of Soviet citizens, Communist Party members and military families will firmly be fought back."

According to local newspaper reports, trucks blocked the roads in Riga center, capital of Latvia. Thousands of people held a rally demanding the resignation of the local government and that parliament be disbanded.

Today, people in the Estonian capital of Tallin also held a demonstration to protest against price hikes and demand that the local government resign.

Condemns Yeltsin Statement

OW1601092191 Beijing XINHUA in English
0831 GMT 16 Jan 91

[Text] Moscow, January 16 (XINHUA)—Soviet President Mikhail Gorbachev Tuesday accused Boris Yeltsin of political provocation with his statement to the press on establishing a Russian Army.

Gorbachev said in a conference of the Supreme Soviet that Yeltsin's call is a "gross violation of the Soviet Constitution."

"It is not only a challenge to supreme federal authorities, but also aggravates the already explosive situation in the country," the president stressed.

Yeltsin's action will not promote social unity, but provoke antagonism and conflict, Gorbachev added.

The Soviet president demanded that Yeltsin retract his statement and acknowledge his error in making such pronouncements.

Yeltsin, the Russian parliamentary president, made his suggestion that a Russian Army be established on Monday in a press conference. He said "Russian sovereignty can not be maintained without troops."

Bessmertnykh Appointed Soviet Foreign Minister

*OW1501144891 Beijing XINHUA in English
1252 GMT 15 Jan 91*

[Text] Moscow, January 15 (XINHUA)—Aleksandr Bessmertnykh's nomination as new Soviet foreign minister was approved today at the Soviet parliament session.

Bessmertnykh, 57, graduated from Moscow's Institute of International Relations in 1957 and has a candidate's degree of juridical sciences. He worked for the United Nations' Secretariat and Soviet Embassy to the United States in his early career while in 1983, he entered the Soviet Foreign Ministry as director of the department of U.S. affairs and was promoted to the position of deputy foreign minister by 1986.

Bessmertnykh was appointed Soviet ambassador to the United States in May 1990, in which he played a key role in U.S.-Soviet relations.

The post of Soviet foreign minister has received attention worldwide following Eduard Shevardnadze's resignation December 20 last year.

Observers here believe Gorbachev's choice of a U.S. expert as the new foreign minister indicates that the Soviet Union will continue to give priority to East-West and Soviet-U.S. relations in its foreign policy.

Discusses Latest Developments

*OW1501234991 Beijing XINHUA in English
1711 GMT 15 Jan 91*

[Text] Moscow, January 15 (XINHUA)—Newly approved Soviet Foreign Minister Aleksander Bessmertnykh told a news conference today that the recent tragic event in his country "does not reflect the policy pursued by the Soviet leadership."

Referring to the latest developments in Lithuania, Bessmertnykh hoped that foreign countries will "carefully consider and understand what is happening in the Soviet Union" so as to guarantee the relations of mutual understanding between the Soviet Union and many other countries.

Asked about the Soviet-U.S. summit scheduled to take place next month, Bessmertnykh said the Soviet side is preparing for the meeting according to the agreement reached by the two sides.

On the Gulf crisis, the foreign minister maintained that opportunities for a peaceful solution still exists.

The Soviet Union "opposed to military confrontation because it concerns people's lives and nations' fate," Bessmertnykh added.

Li Peng Greets Pavlov on Appointment as Premier

*OW1601112391 Beijing XINHUA Domestic Service
in Chinese 0911 GMT 16 Jan 91*

[Text] Beijing, 16 Jan. (XINHUA)—Li Peng, premier of the PRC State Council, today sent a telegram to V. Pavlov, newly elected premier of the Union of the Soviet Socialist Republics, expressing his wholehearted congratulations. Full text of the telegram follows:

Moscow
Premier of the Union of the Soviet Socialist Republics

Comrade V. Pavlov:

At a time when you have been appointed premier of the Union of the Soviet Socialist Republics, I wish to extend to you my wholehearted congratulations. I wish you continual success in this important post.

I wish the Soviet republics prosperity, and their people happiness.

I wish continual development and strengthening of ties between China and the Soviet Union.

[signed] Li Peng, premier of the PRC State Council
Beijing, 16 January 1991

New Premier Supports Gorbachev 'Completely'

*OW1501032091 Beijing XINHUA in English
0257 GMT 15 Jan 91*

[Text] Moscow, January 14 (XINHUA)—The Soviet Council of Ministers headed by Nikolay Ryzhkov was automatically disbanded after Valentin Pavlov's election as prime minister today.

TASS said Vitaliy Doguzhiyev and Vladimir Velichkov were elected as the first deputy prime ministers at today's session of the Supreme Soviet; Yuriy Maslyukov and Nikolay Laverov are the new deputy prime ministers.

When discussing the qualification of his prime ministerial candidacy, the 53-year-old former Finance Minister Pavlov said that he supported the Soviet president's policy "completely and without any reservation."

He noted that the present economic situation in the country is unsatisfactory, adding that the move to the market economy should be "constant but not bring any

losses to the property [as received] obtained by the Soviets over the past several decades."

The decision to reshuffle the government was made at 4th session of the Soviet Congress of People's Deputies at the end of last year.

Says USSR in 'Critical Position'

OW1601010891 Beijing XINHUA in English
1554 GMT 15 Jan 91

[Text] Moscow, January 15 (XINHUA)—Newly approved Soviet Premier Valentin Pavlov told a news conference today the Soviet Union is in a critical position under which correct and quick decisions are required.

Pavlov said the main difficulties stem from the first Soviet economic recession after World War II, the loss of confidence in life, work and future, the building tensions in the [words indistinct] Baltic republics, the contradiction between the masses and individual groups and their leaders, and the negative influence of the Gulf crisis.

On the distinction of cabinet and former Council of Ministers, the new prime minister said the cabinet, which remains under presidential rule, holds greater ability to solve various problems with quicker reaction and greater responsibility compared to other legislative departments previously owned by the Council of Ministers.

In response to a reconsideration by Western countries on future economic aid to the Soviet Union following political upheavals in Lithuania, Pavlov said Western aid is more political than economic.

Food aid to the Soviet Union by Germany, the Soviets' biggest supplier, would fail to meet the needs of our people in Moscow in a single day, Pavlov added.

Soviet Embassy Gives 'Different' View of Events

OW1601005191 Beijing XINHUA in English
2147 GMT 15 Jan 91

[Text] Washington, January 15 (XINHUA)—The Soviet Embassy here today gave a different picture of what had happened in Lithuania, regretting that not all details of those events are being "clearly reported in the Western media."

A spokesman of the embassy said at a news conference that the Western media failed to report the essential fact that a young Soviet officer was shot in the back and killed during those events, which actually sparked the troops reaction.

He said that the Soviet troops were not armed, and they didn't have any live ammunition, but shots were fired.

"Apparently, as the preliminary investigation showed later, the local militants were armed and they used their firearms," the spokesman said.

He said there was a dangerous confrontation between supporters of local governments and their opponents, who included, "not only Russians, Poles, Belorussians, Jews, but also a large number of Lithuanians who were dissatisfied with the policies of the government."

He said Lithuania was prevailed by a situation of "chaos and anarchy" at that time.

He noted that the developments in Lithuania are internal affairs, which should not affect the U.S.-Soviet relations.

He said that the Soviet Union hopes that its policies would be "properly understood" by the United States.

The spokesman said the Soviet Union will do its "utmost to ensure" that the U.S.-Soviet summit will be held as scheduled.

Joint Cooperation To Be Developed in Aeronautics

OW1401005291 Beijing Central Television Program
One Network in Mandarin 1400 GMT 13 Jan 91

[From the "Night News" program]

[Text] On 11 January, the Beijing Aeronautical Materials Institute and the Soviet Union's All-Union Aeronautical Materials Institute held a ceremony on the signing of an agreement on bilateral technological cooperation. The agreement was signed in accordance with relevant agreements signed between the Chinese and Soviet Governments on cooperation in civil aviation production.

The two sides will carry out technological cooperation with respect to the fixed blades of turbojet engines, thermal barrier coating for high temperature insulation, advanced composite materials, lead-aluminum and titanium alloys, powder metallurgy, and turbine wheels.

PRC-USSR Joint Venture in Moscow Approved

SK1401044191 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 12 Jan 91

[Text] The agreement on establishing the Changcheng Corporation in Moscow with investment jointly provided by the Mudanjiang Technological Development Corporation and the appropriate Soviet department was approved recently by the PRC Ministry of Foreign Economic Relations and Trade.

The formation of the Changcheng Corporation requires 1.5 million Swiss francs. Of the total investment, 40 percent will be provided by the Chinese side. The corporation will focus its business on enlarging color pictures, electric typing, and duplicating. This is China's first high-technology industrial enterprise in Moscow.

Northeast Asia

Jiang Zemin Meets DPRK's Kim Yong-sun

OW1601131691 Beijing XINHUA in English
1257 GMT 16 Jan 91

[Text] Beijing, January 16 (XINHUA)—Chinese Communist Party (CPC) leader Jiang Zemin reaffirmed Sino-DPRK friendship when he met with a senior official from the Korean Workers Party here today.

Jiang, general secretary of the Chinese Communist Party Central Committee, had a 40-minutes conversation with Kim Yong-sun, secretary of the Central Committee of the Korean Workers' Party.

Jiang told Kim that he treasures the amicable ties between China and Korea which was "cemented with blood". The exchange of visits by leaders of the two parties and the two countries has deepened the friendship, he added.

Jiang said that the Seventh Plenary Session of the 13th CPC Central Committee, which was held at the end of last year, put forward basic ideas about China's economic development for the next decade.

"We hope to have stability and unity at home so as to push the national economy forward. We also hope for a new international political and economic order to promote mutually beneficial economic exchanges worldwide," Jiang said.

Kim praised the Chinese people for their successes in consolidating unity and stability and in building socialism with Chinese characteristics under the leadership of the CPC Central Committee with Jiang as the nucleus.

After the meeting, Jiang hosted a dinner in honor of Kim, who arrived yesterday on a week-long visit.

Kim held talks with Zhu Liang, head of the International Liaison Department of the CPC Central Committee, yesterday.

DPRK Spokesman Calls for Multichannel Dialogue

SK1501062391 Beijing International Service
in Korean 1100 GMT 14 Jan 91

[Text] According to yesterday's NODONG SINMUN of Korea, a spokesman for the Korean State Administration Council on 12 January made a speech. He called upon the South Korean authorities to allow political parties and factions and organizations of the South side to contact and engage in dialogue with the North side. The spokesman made his speech at the joint meeting of delegates of the Korean Government, political parties, and organizations in response to the refusal of No Chae-pong, acting South Korean Prime Minister, to accept the letters sent on 8 January to the South Korean authorities, political parties, and organizations.

The spokesman then said that the Korean reunification issue is not an administrative issue in which authorities should intervene but a work of the entire nation. He said that the Korean reunification issue can only be resolved when the political parties and factions and the people from various social strata are allowed to directly participate in it.

DPRK Issues Foreign Ministry Statement

SK1501042891 Beijing International Service
in Korean 1100 GMT 14 Jan 91

[Text] A spokesman for the Korean Foreign Ministry on 13 January noted that the assertion that an organization similar to the CSCE should be formed in Asia to solve the issue of peace and security cooperation does not conform to the prevailing situation in Asia. The spokesman, in a press statement concerning the issue of peace and security cooperation in Asia, said that the security situation in Asia is different from that in Europe and that there exist a series of pending problems in this region with conflicting interests among several countries.

He said that the diagram suitable for Europe should not be applied to Asia as it is and that the issue of peace and security cooperation in Asia should be solved in ways suitable for Asia. He said that to safeguard peace and security in Asia, the Soviet Union and the United States, the strongest military powers, above all, should implement disarmament in this region, adding that this is a precondition to establish a security system of Asia.

Trade Office Exchange With South Korea Planned

HK1501014991 Hong Kong SOUTH CHINA
MORNING POST in English 15 Jan 91 p 15

[By Willy Wo lap Lam]

[Text] The exchange of representative offices between South Korea and China is to go ahead as planned, despite last-minute arguments over the status of diplomats attached to the quasi-official missions, diplomats in Seoul and Beijing said yesterday.

The offices will be opened at the end of January as agreed, the sources said.

About one third of the 30 staff each office can maintain will be diplomats, and arguments have erupted over whether the envoys will enjoy full diplomatic immunity as well as tax and other privileges.

It is understood that to avoid criticism by North Korea, Beijing has shown reluctance to grant the South Korean diplomats full immunity.

"This is an entirely procedural and technical matter which will be resolved," a South Korean analyst said.

"After all, Beijing also wants its envoys in Seoul to enjoy full diplomatic rights."

At present, several South Korean officials are in Beijing to put the finishing touches to the office, which will be located temporarily in the newly-opened World Trade Centre.

Head of the mission, Mr No Jae-won, a former ambassador to Canada will arrive in Beijing for the official opening.

Diplomatic sources say Mr No's deputy will be Mr Hur Se-lin, a Chinese-speaking veteran of the South Korean foreign office.

Li Tieying Meets Japanese Company Executives

OW1501095391 Beijing XINHUA in English
0753 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—Chinese State Councillor Li Tieying met a delegation of Fujitsu Co., Ltd of Japan led by chairman of its board of directors Yamamoto Takuma here today.

The guests from Fujitsu Co., Ltd, the biggest computer company of Japan, are here for a five-day visit at the invitation of the China Council for the Promotion of International Trade.

Japanese Aid Used To Build Disaster Center

OW1201001791 Beijing XINHUA in English
1344 GMT 11 Jan 91

[Text] Hangzhou, January 11 (XINHUA)—A foundation stone-laying ceremony was held here today to inaugurate the China Red-Cross center for preparations against natural disasters and providing disaster relief, the first of its kind in China.

Sponsored by the International Red Cross and Red Crescent Societies, the center will cover an area of 3,340 sq m and will have a floor space of 3,120 sq m. It will be responsible for purchasing, storing, cleaning and transporting disaster relief materials for all the coastal provinces and Shanghai municipality in east China.

Construction of the center is expected to be completed before the end of this year.

The investment in the center is 2.4 million yuan (about 480,000 U.S. dollars), provided by the Japanese Government and the Japanese Red Cross.

Southeast Asia & Pacific

Aquino Meets Group Led by Deng's Daughter

OW1601080191 Beijing XINHUA in English
0713 GMT 16 Jan 91

[Text] Manila, January 16 (XINHUA)—Philippine President Corazon Aquino met a Chinese painters delegation at the presidential palace here today.

The president expressed her welcome to the four-member delegation from the Academy of Traditional Chinese Painting led by Deng Lin, associate research fellow of the academy.

At the meeting, President Aquino said she was grateful to the visit by Chinese Premier Li Peng to her country last December.

She also recalled her beautiful impression of her meeting with Deng Xiaoping during her visit to China in 1988, and asked Deng Lin to convey her regards to Deng Xiaoping.

Deng Lin conveyed to the president the regards of her father Deng Xiaoping.

President Aquino expressed her thanks to Deng Lin for donating part of the money the delegation got from selling their works at exhibition to disaster-stricken areas of the Philippines.

The Chinese painters arrived here on January 8 and are scheduled to leave for home on January 25 after touring other parts of the Philippines.

Sub-Saharan Africa

Wu Xueqian Hosts Dinner for Mauritius Official

OW1501132091 Beijing XINHUA in English
1156 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—Wu Xueqian, member of the Political Bureau of the Central Committee of the Chinese Communist Party and vice-premier, met with and hosted a dinner here this evening for B. Ghurburrun, member of the Socialist Militant Movement and vice prime minister of Mauritius, and his wife.

The Mauritius visitors are invited here by the Chinese Communist Party for a 10-day visit to China.

Envoy Hosts Reception for Togo's National Day

OW1401180391 Beijing XINHUA in English
1403 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—Togo Ambassador to China Yao Bloua Agbo gave a reception here today at his residence to mark the national day of Togo.

Among the guests to the reception was Gu Xiulian, minister of chemical industry.

New Gabon Ambassador Presents Credentials

OW1401132291 Beijing XINHUA in English
1003 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—New Gabonese Ambassador to China Legnongo-Ndumba Benjamin presented his credentials to Chinese President Yang Shangkun here this afternoon.

The new Gabonese ambassador arrived here on January 7.

Foreign Minister Qian Qichen Visits Tanzania

WA151140191

For Dar es Salaam Radio and Nairobi KNA reports on the visit to Tanzania by Foreign Minister Qian Qichen see the East Africa section of the 15 January 1991 and subsequent issues of the Sub-Saharan Africa DAILY REPORT.

West Europe

UK Embassy in Beijing Gets Suspected Letter Bomb

HK1501131791 Hong Kong AFP in English 1315 GMT
15 Jan 91

[Text] Beijing, Jan 15 (AFP)—The U.S. and Western European embassies took extra precautions against terrorism Tuesday as Chinese police exploded a suspected letter bomb sent to the British Embassy.

"We got a suspect letter and went over it with a metal detector and found that it contained wires and metal," a British Embassy spokesman said. "The police came and they exploded it."

He said it was not immediately clear if the letter actually contained explosives.

"The police are going to tell us in three days' time," he said.

The United States and other Western countries were already taking steps to improve security here after Iraqi officials began asking about the movements of diplomats in China, spokesmen said.

Embassies of the 12 European Community members decided Tuesday to ask the Chinese Foreign Ministry to study ways to reinforce security, a European diplomat said.

More armed Chinese police have already been placed outside the U.S. ambassador's residence. The U.S. Embassy told its staff to look out for car and letter bombs and has posted notices in several places in the capital.

Spokesmen for the British and U.S. missions said they had reports that Iraqi diplomats had questioned their nationals on several occasions, inquiring about whereabouts and movements of diplomats.

"A couple of American diplomats' children were at the Pizza Hut recently and Iraqi officials approached them and asked them where diplomats lived," the U.S. spokesman said. The conversation was overheard by their mother.

Iraqis also approached several American teenagers and some foreign experts living in Beijing for similar information.

"There have been no threats yet," the spokesman said, but staff were told at a meeting last week that terrorism was possible.

The British spokesman said his embassy was "receiving similar reports as the U.S. Embassy" and that Iraqi officials had also approached British nationals.

"Obviously we are tightening up security and advising people to be more careful," the spokesman said, adding that university students were contacted Tuesday and businessmen would be contacted Wednesday.

The Australian and Canadian embassies said Tuesday they had also informed staff and their dependents to pay more attention to personal security in case of a war in the Gulf.

The U.S.-led multinational force assembled against Iraq contains contingents from Britain and other Western countries. Officials at the Iraqi Embassy were not immediately available to comment on the reports.

Missions for three European countries said they were taking initial measures to step up security, diplomats said.

"We do not think there is a true danger of terrorism in Beijing. It would be very difficult to organize a terrorist network here," the European diplomat said.

China is considered one of the safest diplomatic posts in the world, with Chinese authorities maintaining strict surveillance and tight security around diplomatic compounds.

Terrorist threats against Americans were last made in June 1988, when Chinese authorities said that unidentified foreigners had singled out U.S. nationals for terrorist attack.

China has diplomatic relations with most countries and organizations regarded as potentially hostile to the United States, including Iraq, the Palestine Liberation Organization, Iran, Libya and North Korea.

About 2,000 British and American citizens live in Beijing. Diplomats and journalists live in well-guarded compounds, while businessmen generally live in less secure hotels.

Most teachers and students and foreign experts working for Chinese companies live in special dormitories.

Reportage on Zou Jiahua Visit to Paris

WA1601143491

For French reportage on the visit to Paris by Zou Jiahua, PRC Planning Commission Minister and Deputy Premier, including reports on his talks with French Prime Minister Michel Rocard and French Finance Minister Pierre Bérégovoy, please see the France section of the 16 January West Europe DAILY REPORT and subsequent issues.

East Europe**Jiang Emphasizes Stability in Iliescu Meeting**

OW1501130591 Beijing XINHUA in English
1242 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin stressed the importance of political stability in the development of a country, when he met with Romanian President Ion Iliescu here this afternoon.

Briefing his guest on China's domestic situation, Jiang said "We feel that for a country to develop, its economy has to be developed first."

But without political stability, economic development would be impossible, a Chinese official quoted Jiang as saying.

In their "cordial and friendly" conversation, as the official put it, Iliescu said he takes "immense interest" in having contact with Chinese leaders.

Recalling his previous visits to China, one in 1958 and the other 1971 when he met the late Chinese Premier Zhou Enlai, Iliescu said he feels friendly about China and the Chinese people.

He went on to brief Jiang on Romania's domestic situation.

Jiang called Iliescu "an old friend of the Chinese people," adding that "we have profound feelings for the Romanian people."

"We respect the choice of the Romanian people," Jiang said, wishing Romania to make achievements along its path of development.

Iliescu Meets Politicians, Scientists

OW1501131891 Beijing XINHUA in English
1211 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—Visiting Romanian President Ion Iliescu held discussions with noted Chinese political figures and scientists on separate occasions here today.

Explaining the on-going reform in Romania's political, economic and scientific fields, Iliescu told members of the Chinese People's Political Consultative Conference (CPPCC) and China's democratic parties that he lays great store by the friendship between Romania and China.

Wang Renzhong, vice-chairman of the CPPCC National Committee extended a warm welcome to the Romanian leader.

Wan Guoquan, vice-chairman of the Central Committee of the China Democratic National Construction Association (CDNCA), gave an account of how the eight

democratic parties in China including the CDNCA participate in running state affairs.

Zhou Guangzhao, president of the Chinese Academy of Sciences, briefed the president on the academy's progress in reform and scientific research in the past decade and more.

Iliescu expressed hope that Romanian and Chinese scientists will have more exchanges and cooperation.

Views Accords, Relations, Gulf

OW1501133891 Beijing XINHUA in English
1325 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—The visiting Romanian president expressed his deep concern over the Gulf crisis at a press conference here this evening, appealing Iraq to withdraw its troops from Kuwait immediately.

Ion Iliescu said that in his meetings with Chinese leaders, both sides condemned the Iraqi occupation of Kuwait, but they also showed reservation on a military solution to the Gulf crisis.

The president described his visit to China as "fruitful", saying that the discussions between him and Chinese leaders have resulted in four agreements on bilateral cooperation to be signed tomorrow.

He told the press that the Chinese Premier Li Peng had promised to grant Romania a loan of 100 million yuan, mainly in the form of providing agricultural and industrial products.

The president thanked the Chinese leaders who show understanding on the problems Romania is now facing.

Referring to Romania's foreign policy, the president said that his country is willing to maintain friendly relationship with all countries in the world, especially with the neighboring countries.

"Romania places its relationship with China within first ranks," he said, adding that his country attaches great importance to his China tour.

The president also expressed his appreciation for the "realistic approaches" of the Chinese leaders towards the Eastern European countries, praising China's stand of developing its relationship with the countries on the basis of the principles of mutual respect, non-interference in each other's internal affairs and mutual equality and benefit.

Li Peng Talks With Iliescu

HK1601043391 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 16 Jan 91 p 1

[Report by correspondent Zhang Jian (1728 0256): "Li Peng Holds Talks With Romanian President Iliescu"]

[Text] Beijing, 15 Jan (RENMIN RIBAO OVERSEAS EDITION)—Chinese Premier Li Peng said today that once a war breaks out in the Gulf, the consequences arising from it will be very grave and cruel. The possible destruction of the oilfields will bring losses to many countries. He called for unremitting efforts to this end as long as there still exists a gleam of hope for peace. These are the remarks made by Premier Li Peng at a meeting with Romanian President Iliescu this morning at the Diaoyutai State Guesthouse.

Amid a sincere and friendly atmosphere, Premier Li Peng had a conversation with President Iliescu on international issues and bilateral ties. They also briefed each other on the domestic situation of their countries. Both sides unanimously believed that the traditional friendly ties of cooperation between the two countries should further develop.

Premier Li Peng expressed welcome concerning President Iliescu's visit, believing that it will promote mutual understanding and friendship between the two countries.

In the course of a change that took place in Romania, President Iliescu said, China adopted a friendly attitude toward Romania. He expressed his gratitude for this. Iliescu said that Romania and China maintain traditional ties of friendship. At present, both countries are undergoing changes, and both sides want to seek new means under new conditions to comprehensively develop such traditional ties of friendship.

President Iliescu highly appraised China's reform principle and showed great interest in China's changes over the past decade and its successes in agriculture. In economic management, population policy, drawing foreign investment, and importing advanced technology, he said, Romania will assimilate China's experience. He continued that Romania attaches great importance to strengthening cooperation with China in the fields of politics, economy, culture, science, and technology.

While giving an account of the domestic situation, President Iliescu said that Romania has its own characteristics in the development of the situation in Eastern Europe. Politically, Romania will revise its constitution, hold general elections, and let the people elect their own leaders. Economically, Romania's central task is to introduce structural reform. This will be a complicated process and the task will be arduous.

Premier Li Peng thanked President Iliescu for his appraisal of China. Li said that difficulties and hope coexist in China. The hope lies in the achievements of the decade-long reform, sustained economic development, and political stability. We will advance along our own road in light of the country's actual conditions. Domestically, the difficulties refer to the heavy burden caused by a huge population because China is still a developing country. Moreover, there are also difficulties resulting from external conditions. With the efforts made in the past year or so, we have made new achievements, despite all the difficulties.

Premier Li then gave Iliescu a detailed account of China's economic reforms, policies, and measures.

On Sino-Romanian ties, Premier Li Peng said that relations between the two countries, which are very good, have not been affected by the changing situations. A change of government should not affect bilateral relations. Li hoped that economic and trade ties between the two countries would grow further. Apart from government-level trade, China also stood for development of local trade between the two sides.

On international relations, President Iliescu said that Romania sticks to one major principle—that is, the road chosen by the people of all countries and their rights must be respected. He continued that Romania will make efforts to strengthen ties with all countries, especially with its neighbors. It is necessary to avoid the emergence of new unstable factors in Europe.

President Iliescu reiterated Romania's position of sticking to the policy of one China, saying that his country has turned down Taiwan's proposal for official contacts. President Iliescu invited Premier Li Peng to visit Romania sometime this year, and Li expressed thanks for the invitation. Premier Li also formally invited Romanian Prime Minister Petre Roman to visit China at a time convenient to him. President Iliescu promised to convey the message.

Yang Signs Accords

OW1601034491 Beijing XINHUA in English
0323 GMT 16 Jan 91

[Text] Beijing, January 16 (XINHUA)—Romanian President Ion Iliescu's "short but efficient and fruitful" China visit constitutes "a new starting-point in furthering the traditional friendly relations of co-operation between China and Romania," Chinese President Yang Shangkun said here today.

During the 40-hour visit, Iliescu met a wide range of Chinese leaders, non-governmental political figures, scientists and journalists for exchanges of information and views. Yang noted, in a farewell talk with Iliescu at the Diaoyutai State Guesthouse here this morning.

The Romanian president agreed with Yang's remark, saying he was "very satisfied with the visit."

Iliescu noted that he had had a candid exchange of views with Chinese leaders on issues of mutual concern, adding that Romania-China relations are "based on mutual trust."

Besides, he said, the four documents signed shortly before his departure underpinned the complete success of the visit.

Yang and Iliescu attended the signing ceremony for the four documents: A treaty on judicial assistance in civil and criminal cases, a consular treaty, a tax agreement

and a program for scientific, educational and cultural co-operation for the period 1991-1993.

Iliescu Gives News Conference

OW1601081891 Beijing XINHUA Domestic Service
in Chinese 1436 GMT 15 Jan 91

[By reporters Zhou Cipu (0719 1964 2613), and Xu Yichun (1776 2011 4783)]

[Text] Beijing, 15 Jan (XINHUA)—Romanian President Ion Iliescu said at a news conference held at the Great Hall of the People this evening that Romania attaches great importance to his current visit to China. He said Romania gives first and foremost priority to the development of relations with China.

He said: China decided to launch an economic reform 12 years ago, and it has achieved substantial progress in its economic development, especially in the agricultural sector, in recent years.

He told the press that he had planned to visit Guangdong to see China's special economic zone and witness the enormous economic development there. Regrettably, he said, he was unable to make the trip this time because he has cut short his visit in China. He said a group of Romanian experts will visit south China in the near future.

Commenting on his meetings and talks with Chinese leaders, President Iliescu said that the discussion he had with Chinese leaders was fruitful. He said he believed his current visit strengthened the traditional Sino-Romanian friendly relations in the political, economic, cultural, educational, and scientific- technological fields.

He said that China and Romania will sign four agreements regarding political, economic, and cultural cooperation before he leaves China; and that Premier Li Peng also announced during their meeting that China agreed to extend a 100 million yuan of loan to Romania. Iliescu added that he thanked Chinese leaders for their understanding of the problems confronting Romania.

President Iliescu said that Romania appreciates China's realistic policy toward the Eastern European countries, and appreciates China's stand of developing relations with the Eastern European countries on the basis of mutual respect, noninterference in each other's internal countries, and equality and reciprocity.

He said Romania is willing to develop friendly relations with all countries, especially its neighbors.

Commenting on the Gulf crisis, Iliescu pointed out that both China and Romania are deeply concerned with the development of the Gulf situation. Both sides condemned Iraq's invasion and occupation of Kuwait and urged Iraq to withdraw its troops from Kuwait immediately. He said both sides showed reservations on a military solution to the Gulf crisis.

Noninterference To Improve Ties

OW1601102191 Beijing XINHUA in English
0931 GMT 16 Jan 91

[By Zhou Cipu, Zhou Shuchun]

[Text] Beijing, January 16 (XINHUA)—As a result of Romanian President Ion Iliescu's 40-hour visit to China, which ended today, relations between China and Romania have gained new momentum and bright outlook for further advancement.

It is obvious that Romania's change of government has not hurt, nor has it affected in any way, the country's friendly ties and co-operation with China.

Factors guaranteeing continued growth in relationship are the five principles of peaceful coexistence, and, in particular, the principle of non-interference in each other's internal affairs, which the two countries have strictly observed.

In late 1989, Chinese leaders made it clear that the change in Romania's Government was an internal affair, and that China respected the choice of the Romanian people and would, as always, maintain and further its relations with Romania.

At the same time, the new Romanian Government has strictly respected China's sovereignty, and has affirmed the "one-China" policy. Romania has turned down a Taiwanese proposal for official contacts, and has prohibited Tibetan separatists to carry out any activities inside the country.

Iliescu's visit to China, which came in a period of increasing gravity in the Gulf crisis, indicates the importance he attaches to relations with China. Speaking at a press conference here yesterday Iliescu said: "Romania places its relationship with China in the highest ranks."

In fact, the bilateral relationship has been the focus of Iliescu's statements during meetings with Chinese leaders in the last three days. In his statements Iliescu often used the keyword "friendship."

Jiang Zemin, Chinese Communist Party general secretary, told Iliescu that the Chinese people have "profound feelings for the Romanian people." Jiang also expressed his wish that Romania will continue to record achievements along its path of development.

Premier Li Peng described Sino-Romanian relations as "very good" and "not affected by changing situations," all the while expressing his belief that the change of government should not affect bilateral relations. Li also promised to grant Romania a 100 million yuan loan.

Iliescu voiced appreciation for the Chinese leaders understanding of the problems facing Romania, as well as for China's friendly attitude towards the changes in Romania.

He expressed his belief that following the many years of fruitful co-operation between China and Romania,

during which both countries were in important stages of reform, there is still a great deal that the two can learn from each other. Consequently, there are broad prospects for further co-operation.

Ilieșcu, when speaking of his interest in China's accomplishments in reform and opening to the outside world, said Romania attaches great importance to strengthening co-operation with China in political, economic, cultural and scientific spheres.

The words he spoke seemed to have materialized in form of the four documents signed shortly before his departure from Beijing this morning. These documents cover precisely those areas of co-operation.

This is perhaps why Chinese President Yang Shangkun, when bidding farewell to Ilieșcu this morning, called the visit of the Romanian president "short but efficient and fruitful," adding that it constituted "a new starting point in furthering the traditional friendly relations and co-operation between China and Romania."

Lech Walesa Reaffirms 'One China' Policy

OW1601034891 Beijing XINHUA in English
0226 GMT 15 Jan 91

[Text] Warsaw, January 15 (XINHUA)—Polish President Lech Walesa said here today that Poland would continue to recognize a "one China" policy.

During his meeting with Chinese ambassador to Poland, Pei Yuanying, Walesa expressed his willingness to upgrade relations with China, and economic ties in particular.

Latin America & Caribbean

Cuban Trade Committee Opens Talks in Beijing

OW1201043091 Beijing XINHUA in English
0331 GMT 12 Jan 91

[Text] Beijing, January 12 (XINHUA)—The third meeting of the Mixed Committee of the Trade and Economic Cooperation between China and Cuba at the ministerial level opened here this morning.

Li Lanqing, Chinese minister of foreign economic relations and trade, and Ricardo Cabrisas Ruiz, Cuban minister of foreign trade, presided over today's meeting.

During the meeting, the two sides will sign agreements on trade and payment and the 1991 trade protocol between the two countries.

The Cuban delegation is scheduled to visit Chinese southern cities of Guangzhou and Shenzhen.

Havana Reports on Joint Commission

FL1201163191 Havana Radio Reloj Network
in Spanish 1503 GMT 12 Jan 91

[Text] Cuba and the PRC today reasserted their willingness to continue strengthening bilateral trade ties and to increase trade agreements.

Ricardo Cabrisas, Cuban foreign trade minister; and Li Lanqing, PRC minister of foreign economic relations and trade, today presided over the opening of the third meeting of the Intergovernmental Joint Commission for Economic Relations and Trade. This meeting is being held at the PRC Foreign Economic Relations and Trade Ministry in Beijing.

Cabrisas congratulated Li Lanqing for his appointment as foreign economic relations and trade minister. He also explained the economic situation Cuba is currently experiencing within a changing and complex international context.

After warmly welcoming his guests, Li Lanqing noted the importance of the current level of Cuban-PRC relations to promote trade ties. He also stressed the great development achieved in the fields of economic and technical cooperation.

Wu Xueqian Meets Delegation

OW1601045991 Beijing XINHUA in English
0334 GMT 16 Jan 91

[Text] Beijing, January 16 (XINHUA)—Chinese Vice-Premier Wu Xueqian met the visiting Cuban governmental economic and trade delegation led by Minister of Foreign Trade Ricardo Cabrisas Ruiz here this morning.

Wu had a friendly conversation with the Cuban guests, who are here on a seven-day visit at the invitation of the Ministry of Foreign Economic Relations and Trade.

Earlier this morning, Chinese Foreign Minister Qian Qichen met Ricardo Cabrisas Ruiz and his party. Both sides expressed satisfaction with the development of the Sino-Cuban relations.

Trade Commission Session Closes

OW1601115891 Beijing XINHUA in English
1000 GMT 16 Jan 91

[Text] Beijing, January 16 (XINHUA)—The third session of the China-Cuba Mixed Commission of Economic Relations and Trade closed here today.

At the closing ceremony of the four-day annual session, Chinese Minister of Foreign Economic Relations and Trade Li Lanqing and Cuban Minister of Foreign Trade Ricardo Cabrisas Ruiz, on behalf of their respective governments, signed a series of documents.

The documents include the trade agreement and agreement of trade payment between the Chinese and Cuban Governments, the 1991 trade protocol between them, and summary of the session of the China-Cuba mixed commission.

Central Committee Plenum

Deng Xiaoping 'Helm' of Seventh Plenum

HK1601110091 Hong Kong CHING PAO in Chinese
No 162, 10 Jan 91 pp 30-33

[Article by Chang Mu (1728 3092): "Deng Xiaoping Remains at the Helm of the Seventh Plenary Session"]

[Text] With a view to realizing the second step of the strategic goal proposed by Deng Xiaoping and to mapping out the blueprint for development in the 1990's, repeated deliberations and discussions were carried out at the 7th Plenary Session of the 13th CPC Central Committee, while thinking and key features were also unified. Finally, a concrete formula was completed at the end of the year and the 7th Plenary Session of the 13th CPC Central Committee was opened.

Precisely because it concerned the total structure of the state and its future orientation, Deng Xiaoping, as a second generation leader of the CPC, was at the helm of the conference and stressed the need to abide by the existing guidelines and policies of reform, opening up, and the four cardinal principles. He thus became the most important factor in the making of decisions. It should be noted that **influential sources from the CPC have lately been asserting one after another that the guideline, principle, and policy of reform and opening up were presented under the guidance of Mao Zedong Thought. This thus stresses the continuity linking Deng Xiaoping and Mao Zedong in terms of ideology and structure, and also affirms the fundamental principle and direction of the reform.**

Aspiring for Stability for Fear of Chaos and for Reform for Fear of Ending It.

Even though the CPC has been deliberating over the "Eighth Five-Year Plan" and the 10-year program for a while now, the concrete formula was actually drafted by the State Planning Commission only half a year ago. It stressed a sustained, stable, and coordinated growth as the leading guideline of the formula. Li Peng has maintained that China should advance step by step, take little steps but never stopping, plow ahead little by little, avoid detours, and pay particular attention to keeping its pace in times of smooth advance. In this way, great changes will take place in 7, 8 years' time.

At the same time, owing to the flaws which were exposed in the course of economic improvement and rectification, such as: "assertion of local authority," separation of financial resources, redundant constructions, and overlapping importations, the draft emphasized an appropriate recovery of certain decisionmaking powers which had previously been delegated to localities. Overall, it stressed the readjustment of the industrial structure, that is, adoption of preferential policies favoring agriculture, energy, raw materials, and transportation. As for the prevailing issues in the economic life such as market

sluggishness, stockpiling of industrial goods, non-payment of "trilateral debts," and decline in economic results of enterprises, realistic and effective measures have yet to be found.

Hence, the draft elicited varying views from economists and local party and state departments. A **social survey from Beijing Municipality reported: "The people long for stability for fear of chaos; they long for reforms for fear of its suspension; they long for wealth for fear of poverty; they long for work for fear of unemployment; they long for honesty because of their hatred of corruption."** At the governors' conference held at the end of September, the different practical questions posed by the local officials showed in a nutshell that only the implementation of reforms can lead to genuine stability and boost socio-economic development. After reading the draft, Deng Xiaoping, who has been in seclusion, also proposed that the element of reform in the "Eighth Five-Year Plan" and the 10-year program be expanded and that reforms be carried out faster, better, and more effectively.

Owing to great concern over this matter, the 7th plenary session originally scheduled for October was postponed to a later date.

Deng Xiaoping Urges Reforms and Issues Six Directives.

Reports have indicated that **Deng Xiaoping met with the six members of the Political Bureau as well as with party veterans like Yang Shangkun and Bo Yibo in mid-October to discuss the development program for the last decade of this century.** This shows that Deng was not "lying in his sickbed" as overseas media have reported to readers. On 26 December, during the 7th plenary session, he appeared in Zhongnanhai to cast his ballot for election of grass-roots people's delegates and appeared to be in good spirits. **In fact, after his retirement, Deng did not simply stay at home to watch television and tend to his garden. He continued to pay close attention to developments in the situation. He once told former U.S. Secretary of State Kissinger that if necessary, he would speak out in his capacity as an old party member.** On this occasion, he outlined six views in his speech stressing reforms and opening up:

One. The reform and opening up is not my own invention. It is the truth gathered by the CPC from more than 40 years of experience and obtained at a great price.

Two. It is necessary to value, sum up, and develop the outcomes of reforms and opening up. There must not be a single iota of wavering over or revision of the policy of reforms and opening up and no changes should be allowed in the decades to come.

Three. Accelerating and perfecting the pace of reforms and opening up should be designated as the general guiding principle behind the "Eighth Five-Year Plan" and the 10-year program.

Four. The world today stresses actual strength. The outcome of the reform and opening up would affect our country's right to speak on international affairs. Refrain from bullying the weak, support the weak, and do not be afraid of the powerful—this is the foreign policy that must be upheld by China.

Five. The earlier cases where economic improvement and rectification was used to suspend policies of reform and opening up were not right. The purpose of rectification is to continue the implementation and perfection of the policies on reform and opening up.

Six. Along with the progress of reforms, the key point is the reform of all superstructures which are not favorable to socialist construction. Last year's upheaval delayed the process of reform. Now is not the time for inaction.

General Secretary Jiang Zemin Conveys Deng's Instructions.

Deng's speech won unanimous support. Later, RENMIN RIBAO and other principal newspapers and journals in Beijing published several articles by experts and scholars on how to spur on the reforms and opening up. Some sharp and dissenting assessments and proposals were also presented. An article which appeared in RENMIN RIBAO in particular pointed out that CPC party members and cadres have different views on the participation of democratic parties in government. It stressed the need to recognize the situation, uphold the overall interest, develop a system of multiparty cooperation and consultation, and promote political structural reform.

Jiang Zemin said: Deng Xiaoping stressed that we should continue to uphold the integration of a planned economy and market regulation. This is a big topic before us, an unprecedented undertaking. We have to exert great efforts to study ways to integrate a planned economy and market regulation under China's conditions. Even though proposals on integration from various provinces and regions are more or less the same, it is still necessary to integrate them with the concrete situation. The principles, guidelines, and policies of the central government should be integrated with the real situation in each locality in order to draw out a concrete mechanism for economic operations.

Harmony Between Party and State and the Opening of a New Situation.

It should be pointed out that Deng Xiaoping spoke highly of the many achievements obtained by the new CPC leading group in stabilizing the overall situation as well as in domestic and foreign policies over the past year. Therefore, he repeatedly stressed the question of unity between the first and the second in command. It appears that Jiang Zemin and Li Peng enjoy a relatively good rapport with each other. It is truly very hard to see any difference of opinion between the two men from their policies and declarations. Whenever they appear in the same occasion, they will almost always make speeches one after another as a sign of respect. When Li

Peng announced that the party Central Committee with Jiang Zemin as the core had completed the work on succession, the confidence he exuded shows that the existing structure is likely to prevail in the entire 1990's.

The Standing Committee of the National People's Congress ended in Beijing on 28 December with approval of two appointments and dismissals concerning the State Council. In particular, the political implication of the changes gives one food for thought. The elderly Public Security Minister Wang Fang and Foreign Trade Minister Zheng Tuobin were replaced by former Deputy Ministers Tao Siju and Li Lanqing, respectively. Up till then, Yao Yilin, Wu Xueqian, and Qin Jiwei were the only three old cadres within the State Council leadership who were more than 70 years old. It seems that the day is not far when government work, the busiest and most pressing task in the CPC agenda, will be taken over by a third generation of successors who are in their 50's or 60's.

Vice Premier Tian Enjoys Wider Authority.

Vice Premier Tian Jiyun who used to be in charge of foreign trade, agriculture, forestry, and irrigation network recently began to take charge of domestic investment work. After listening to a report by the Ministry of Commerce on the problems in the market, he pointed out that the problems must be solved by means of reforms and that a retrogression was neither possible nor permissible. Today, control of state-run firms is tight, that of collective enterprises is loose while no control is exercised on individual household enterprises at all. The reasons for this are: One, the inequality of policies, and two, certain state-run firms remain very inflexible in their administration. The idea behind the deepening of reforms is for state-run firms to deal primarily in distribution. Important production and means of production which are vital to the national economy and to the people's livelihood should basically be kept under a monopoly. Naturally, it is necessary to define the varieties and for the state-run firms to maintain control over distribution of selected commodities. It is also necessary to study further which varieties may be procured directly from factories and others which must be distributed commercially. The situation is a bit chaotic now. It is necessary to formulate rules to govern the degrees of integration and relaxation and to gradually set up a legal system. Reform of distributing enterprises may follow the path of enterprises and collections as this would be beneficial to macroeconomic regulation and control as well as to market stability. Control over retail business should be loosened up, and except for selected items, regulations covering all other commodities should be relaxed. Excessive control over retail business is not right, and surplus personnel from state-run firms should also engage in the retail business.

Tian Jiyun's authority has expanded and he in fact now takes charge of some of the work which used to come under Yao Yilin's jurisdiction.

Qian Qichen Succeeds Wu Xueqian, While Yang Baibing Takes Over the Defense Ministry.

Foreign Minister Qian Qichen has been fairly active in the international scene in recent years, and through his remarkable skills, he has scored a series of diplomatic triumphs. He has made enormous contributions to bettering ties with neighboring states, relaxing, and even removing Western "sanctions" and expanding China's exchanges and cooperation with foreign countries. **His taking over from Wu Xueqian and becoming Li Peng's number one assistant in charge of foreign relations is most logical.**

As for Yang Baibing who now serves as secretary general of the Central Military Commission, he is a candidate to take over the Ministry of National Defense.

The CPC's Political Bureau still counts as its members the 83 year old Yang Shangkun, 75 year old Wan Li, chairman of the NPC Standing Committee, and 74 year old Song Ping who is a member of the Standing Committee of the Political Bureau. Along with Yao Yilin, Wu Xueqian, and Qin Jiwei, they are unlikely to stay long in the leadership core of third generation leader Jiang Zemin. Perhaps, as Deng Xiaoping's proposal calling for abolition of the Central Advisory Commission is realized, efforts to lower the average age of members of the CPC's top hierarchy will be completed by a shift to the third generation leading group.

Five Distinctive Features in the Direction of Reforms.

Looking at the CPC's blueprint for reforms, its new direction contains the following five distinctive features:

One. The guidelines of the reforms will seek to refrain from striving for novelty and for results; instead, reforms will be handled as a systematic process. A general program and implementation guideline for reforms will be established after views are gathered through discussions and deliberations, with emphasis on the organic integration of reforms and stable development.

Two. The objectives of reforms will be to prevent a return to the old system of highly-centralized product economy as well as to prevent total privatization and complete preference for market mechanism. The reforms will seek to implement a planned commodity economy, with the public ownership system as the dominant feature.

Three. Refrain from stubbornly searching for so-called breakthrough points and for constantly-changing methods which would produce reform miracles. In order to develop the comprehensive efficiency of reforms, it is necessary to pay attention to the comprehensive coordination between the three levels of horizontal reforms linking the macroeconomic regulation and control, market structure, and entrepreneurial mechanism, and

to highlight the integral harmony prevailing in the vertical and multifaceted reforms covering planning, prices, wages, taxation, fiscal policy, monetary policy, employment, and foreign trade.

Four. On the concrete implementation of reforms, vigilance should not be aroused only after everything has gone past the "critical point". Rather, it is necessary to carry out objective scientific experiments and promptly perfect the structure and mechanism involving economic policies.

Five. Promote the process of political democratization and legalization so that economic reforms may take place in an excellent social environment.

A Guideline for Peace and Promotion of Reunification.

The reunification of China was one of the three tasks for the 1980's as mapped out by Deng Xiaoping. Entering into the 1990's, it remains a major topic.

In early December, taking advantage of Wang Zhaoguo's arrival in Beijing to succeed Ding Guangen as head of the State Council's Office of Taiwan Affairs, the CPC convened a working meeting on Taiwan affairs to discuss the great plan for reunification as well as the merging of the State Council's and the CPC Central Committee's offices on Taiwan affairs. Yang Shangkun, Li Peng, and Jiang Zemin delivered policy statements at the meeting. It was maintained that the unification of the mainland and Taiwan was an irreversible trend of history, despite the existence of two factors within the island of Taiwan, namely, the clamors for unification as well as for "Taiwan independence." The most important thing at the moment is to promote amicable ties and friendly exchanges between the compatriots on both sides of the straits, strengthen economic cooperation, and academic and cultural exchanges, and strive for realization of the "three communications." **The CPC's top hierarchy has proposed that on relations with Taiwan, it will implement a policy of "being lenient on economic affairs, but uncompromising on political matters," of leniency on civilian exchanges but strictness on official diplomacy. It will also seek to strengthen a consensus for unification through contacts and exchanges at various levels, notably through the development of bilateral economic and cultural exchanges and cooperation. Even as it insists on negotiations between the Kuominteng and the CPC on the basis of reciprocity, it also indicates its willingness to discuss the great plan of unification with other parties or personalities.**

It should be noted that the CPC has avoided certain political criticisms or provocative wordings like "unification by force" which were used frequently in the past. Before, whenever the Taiwan authorities mentioned the proposal of "one country, two governments," it would invite strong attacks from Beijing's administration down to the various news media which charged the proposal to be in effect advocating for "two Chinas." Today, the CPC puts more emphasis on the search for a common point, that is, factors for unification which are favorable

to the "one country, two systems" concept, in order to promote peaceful unification and split as well as isolate the forces in favor of Taiwan independence.

Resolute Opposition to Bourgeois Liberalization and Prevention of Peaceful Evolution.

On the current international scene, the CPC maintains that the ever-changing international situation has broken the old pattern characterized by U.S.-USSR confrontation but that all kinds of confrontations have grown more complicated while a new political pattern has yet to emerge. However, in Eastern Europe where dramatic changes which took place have been described by the West as a "peaceful revolution," where the communist parties have lost their dominant positions, and where several parties have emerged to contend with each other politically, uncertainty and instability prevail while the economies move toward a market economy. These have plunged the region into greater dilemmas. The "peaceful evolution" assault launched by Western countries has gradually shaped up into a clamor for "parliamentary system" around China's borders. The CPC held that it was necessary to see through the great international climate and resist the smokeless war launched by the Western powers. While persisting in reforms and opening up, it was also imperative to step up ideological and political education on socialism and reverse the passive position caused by the "downplay theory" and the "reform theory."

Jiang Zemin noted that the several incidents which occurred in our country all stem from the ideological domain. We cannot allow the Western wind to blow any which way it wants. This struggle is a protracted one and cannot be avoided. It is necessary to firmly oppose bourgeois liberalization and expose the so-called "three treasures" of the West, namely: "Freedom, democracy, and human rights." The struggle continues to exist in the ideological domain, including politics, ideology, legal studies, literature and arts, moral values, and religion. The thinking of some people, including certain party members and cadres, are relatively confused. The outlook of some people on life, the world, values, and morals have undergone transformation. The resolution of these problems is a difficult long term task.

Preparation of Celebration Activities To Strengthen Education.

The CPC stressed that on the one hand, it is necessary to "smooth out feelings," mobilize the positive factors from all sides, develop socialist commodity economy, and build a high level of material civilization; at the same time, it is also necessary to seriously initiate the building of spiritual civilization. On the other hand, it is also imperative to promote China's democratic politics, and to prevent all forms of corruption, such as the overconcentration of power, abuse of power, and pursuit of selfish interests. Under the leadership of the CPC, efforts should be made to realistically carry out political structural reform and gradually perfect the system of the

National People's Congress and of multi-partisan cooperation and consultation with Chinese characteristics.

1991 marks the 80th anniversary of the Revolution of 1911 which overthrew the Qing dynasty's feudal rule in China. It also marks the 70th anniversary of the founding of the CPC, 40th anniversary of the peaceful liberation of Tibet, and the 15th anniversary of the fall of the "gang of four." The CPC will endeavor to launch a series of large-scale celebration activities in order to unfold a great fervor in education on patriotism and spur the peaceful unification of the two sides across the straits.

Political & Social

Intellectual Reportedly on Trial in Beijing

HK1501131891 Hong Kong AFP in English 1307 GMT 15 Jan 91

[Text] Beijing, Jan 15 (AFP)—A Chinese intellectual arrested soon after the Tiananmen Square crackdown in June 1989 has gone on trial in Beijing, according to a court notice posted Wednesday.

Bao Zunxin, historian and editor of a literary magazine, TOWARDS THE FUTURE, was accused of "counter-revolutionary activities, spreading propaganda and agitation."

The poster, seen at the entrance of the Beijing People's Intermediate Court, indicated that the trial's first hearing had taken place. No date was given.

Another person, Wang Haidang, is being tried on similar accusations, according to other notices at the court-house.

Mr Bao, a member of the Chinese Academy of Social Sciences' history institute, was also co-author with other intellectuals and students of a May 16, 1989 declaration calling for more political reform in China.

He was arrested a few days after tanks and troops moved into central Beijing to silence seven weeks of student-led pro-democracy protests that were centered on Tiananmen Square.

The trials of about 15 students and intellectuals active in the Tiananmen democracy movement began in early January, according to several sources.

The official XINHUA NEWS AGENCY reported January 5 that prison sentences of two to four years had been imposed on four student leaders, but it did not say when the trials took place.

State Council (cabinet) spokesman Yuan Mu said last week that all trials would soon be concluded.

The Chinese authorities have denied that they are holding the trials now as world attention is riveted on the Gulf crisis. Officially the proceedings are open, but

no independent observers have been allowed to attend, despite appeals from international human rights organizations.

Further on Trial

HK1601013591 Hong Kong SOUTH CHINA MORNING POST in English 16 Jan 91 pp 1, 12

[By John Kohut in Beijing and Chris Yeung]

[Text] Bao Zunxin, who played a leading role in the 1989 anti-government protests, was put on trial yesterday, the most prominent intellectual to come before the courts since China started hearing long-awaited cases related to the pro-democracy movement.

A notice outside the Beijing Intermediary Court yesterday said Bao, who was arrested in late June 1989 and included in a list of banned authors issued soon after the Beijing massacre, had been charged with spreading counter-revolutionary propaganda.

A spokeswoman for the court confirmed that his trial began yesterday morning, but offered no information about sentencing.

A separate notice stated that the trial of another activist named Wang Haidong had also begun yesterday morning on the same charges. But the spokeswoman denied his trial had begun and a court official declined to give Wang's profession or other personal details.

The charges could lead to lengthy prison sentences for both Bao and Wang, the 17th and 18th pro-democracy activists to come before the courts since trials began last month of students, intellectuals and others involved in the 1989 protests.

So far the courts have finished trying nine of those dissidents. Hearings for the others are in recess indefinitely.

Bao was one of seven prominent intellectuals for whom "internal" arrest warrants were issued after the June 4 crackdown.

In official accounts of the unrest, Bao was named as a leading conspirator who stirred student discontent at the "Democracy Salon" meetings organized at Beijing University in the months before the protest movement.

Bao was also named by Beijing mayor Mr Chen Xitong as a co-author of three key documents: WE CAN NO LONGER REMAIN SILENT, OUR URGENT APPEAL FOR THE CURRENT SITUATION; and the MAY 17 DECLARATION.

The latter stunned China's leadership with a pointed attack on senior leader Mr Deng Xiaoping: "China still has an emperor without an emperor's title ... a senile and fatuous autocrat."

Bao was arrested in late June, 1989, and two months later, he was expelled from the Communist Party.

Diplomats expect Bao to be given a longer jail term than that of seven political activists, four of them students, who were sentenced on January 5 to between two and four years in prison.

At the same time, the authorities have meted out punishment to two released activists who took part in a hunger strike at Tiananmen Square on June 3.

Prominent intellectual, Mr Gao Xin, who was released last year after six months in jail for his involvement with the democracy movement, has been expelled from the Communist Party.

And his application for a visa to study at Harvard University in the United States has yet to be approved, the semi-official Hong Kong China News Agency (HKCNA) reported yesterday.

Mr Gao, 35, was a former lecturer of the Beijing Normal University. He staged a hunger strike with three other prominent intellectuals—Taiwan singer Hou Dejian, literary theorist Liu Xiaobo, and social scientist Zhou Duo—just one day before the massacre.

The HKCNA report said the Beijing Normal University party committee had recently stripped Mr Gao of his party membership and teaching post.

It added that although Gao had been admitted to Harvard's graduate school, he had yet to obtain a visa.

And Chinese sources in Beijing said that, late last month, Mr Zhou, who was also released from detention last year, had been "advised" by police authorities in the capital to take a two-week "vacation" in Shenzhen.

Mr Zhou returned to the capital last week to find that his private telephone line had been cut.

In a parallel development, the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, which is branded by Beijing as "subversive", is under pressure from its members to send representatives to attend the trials of dissident leaders Wang Juntao and Wang Dan.

Deng Xiaoping Still Making Important Decisions

HK1601064191 Hong Kong PAI HSING in Chinese No 232, 16 Jan 91, pp 3-4

[Report by Ou-yang Wei (2962 7122 4850): "Deng Xiaoping Is Still the Decisionmaker in Beijing"]

[Text] Deng Xiaoping was hospitalized for a time, but it seems that his health has recovered again. After writing the nameplate for JINGJI CANKAO BAO [ECONOMIC REFERENCE] run by the XINHUA News Agency, he also wrote an inscription for the People's Publishing House to mark the 40th anniversary of its founding. Then, he appeared on a public occasion to cast a vote. This kept the political scales in Beijing in a temporary balanced condition. The two confronting

sides were trying hard to restrain themselves. It seemed that they were undergoing a "winter sleep," but there was just a depressing deadlock. The situation was, however, described by CPC propagandists as "stability."

Deng Asked Song Ping: "Who Are You Going To Criticize?"

In a previous period, Song Ping worked quite hard to compile a volume of materials for criticizing Zhao Ziyang, and tried to take action against Zhao. The leftists said complacently: "Song Ping is still a guy loyal to Marxism-Leninism." The materials took Zhao Ziyang as a power holder who intended to take the capitalist road. Of course, they were aimed at knocking down and permanently disgracing Zhao. It would be better if Zhao would die as miserably as Liu Shaoqi. Zhao Ziyang could still play golf and obtain special goods supplied for senior officials. This upset the conservatives. Song Ping took the materials to Deng Xiaoping, and Deng asked him: "Who are you going to criticize? Are you going to criticize Zhao Ziyang or me?" Thus, the case was brought to an end or was shelved.

Deng Asked Jiang Zemin: "What Are You Talking About? About the 40 Years or the 10 Years?!"

The conservatives planned that after the end of the Asian Games, the CPC Propaganda Department, the Ministry of Culture, the State Administration for Press and Publications, and the Ministry of Television and Films would jointly hold a national conference to formulate the guiding principles for literature and art, and stress would be laid on "opposing peaceful evolution" and "opposing bourgeois liberalization." The conservatives prepared to throw away all disguise and come out into the open. They were very excited, and did not expect that the conference would be obstructed by their opponents and would be postponed again and again. It was originally decided that Jiang Zemin would announce the above-mentioned principle at the conference. So Jiang Zemin brought the draft of the lengthy speech to Deng Xiaoping. Deng asked him: "What are you going to say? About the 40 years or the 10 years?!" Jiang understood what Deng meant. Deng indicated that the pressing task of the moment was to boost the economy, and other things were not so important. Thus, the original plan for holding the literary and art work conference in a big way fell through. Jiang's speech was published in the magazine QIUSHI under an assumed name. There was thus a deadlock in this case. The conservatives in the literary and art circles were greatly resentful. They were even discontented with the fact that Wang Meng appeared in television scenes about the conclusion of the seventh plenary session of the Central Committee.

Jiang Zemin Acknowledges That Contradictions Exist Inside the Party

Recently, Jiang Zemin wrote an instruction on an inner-party document about the propaganda principle and said that it is necessary to be neither right nor left in order to avoid inner-party contradictions. This showed that the

general secretary had acknowledged the existence of contradictions inside the party, which might be turned into conflicts at any moment.

This is more obvious in the ideological field. At the meeting held by the People's Publishing House to mark the 40th anniversary of its founding last December at Beijing Hotel, Hu Qiaomu assumed a complacent air and appeared to be the "sole authority" in the ideological field. His faithful follower Deng Liqun accompanied him. Xu Weicheng also followed him as a bodyguard and assumed a complacent and arrogant appearance. The presence of these three people at the meeting disgusted many intellectuals.

Li Ruihuan, who was in charge of ideology, found a very good subject for himself: To revive the Beijing operas, a major item of national art. He used the opportunity of commemorating the 200th anniversary of Zhengban's performances to organize the performance of a large number of Beijing operas, to hold a large-scale meeting, to give a lengthy speech, and to broadcast the selected operas on television. This move was very popular with the ordinary people in Beijing. Li Ruihuan was rather smart, because he found something that could win popularity and because he drew a line of demarcation with Hu Qiaomu. When Hu showed an air of complacency, Li just enjoyed the Beijing operas he liked. Anyhow, Li is more than 10 years or even 20 years younger than Hu. Moreover, the Standing Committee of the Political Bureau is now benefiting from the "stability." As "economic affairs constitute the most pressing task of the moment," the two confronting factions may live in peace with each other, as long as they do not trigger off inner-party contradictions. The conservatives will be restrained if they are too arrogant, and the reformists will also have to avoid the contradictions and make a detour. As for most senior intellectuals, their disappointment at politics has developed to the extreme. They do not read newspapers, do not listen to lectures, and only play chess and billiards. They are resisting the authorities in a passive way. They did not even mark their ballots and just cast invalidated ballots.

The Key Lies in Whether Deng or Chen Will Die First

The health conditions of the eight most prominent old men in China are always the focus of people's attention, because their survival or death will affect the continuity of the entire people. At present, this can be regarded as the most typical feature of socialism with Chinese characteristics. In the television scenes about the concluding session of the seventh plenary session of the Central Committee, Wang Zhen was seen sitting there. If he could stand up, he should have stood to show off. It was said that Xi Zhongxun was recuperating in Shenzhen and had become delirious, because he could not be appointed as vice president of the state. Li Xiannian is also senile and doddling now. Of course, Deng Xiaoping and Chen Yun are the most important of all. Both the reformists and the conservatives believe that the balance of strength would be upset if either one of

them dies, so which one of them will die first will be a decisive factor for future development.

He Xin Set a Price for Himself

A person called He Xin suddenly became salient in China. The authorities deliberately brought fame to him. His special feat was to swear at the student movement on television after the "4 June Incident," and he was then in Li Peng's good graces. However, his name was very bad in the Chinese Academy of Social Sciences where he worked. So Li Peng recommended him to Ma Hong, director of the Economic Development Research Center of the State Council. In the interview, He Xin raised three requirements to Ma Hong: 1) A senior job title; 2) a big house; and 3) no need to go to the office regularly. Ma Hong answered: 1) The senior job title needs to be decided by the professional title appraisal committee; 2) the house assignment needs to be discussed and arranged by the housing committee; and 3) even I have to come to the office and leave work on time, and everyone here must work in the office. How can you be the exception? Then He Xin said that he would not come to work in the institution at the moment.

It was thought that as He Xin had accumulated his political capital through opposing the student movement and found Li Peng's backing, he would play a role like Zhang Tiecheng during the "Cultural Revolution."

All-China Journalists' Association Holds Meeting

Li Ruihuan Speaks

OW1501225891 Beijing XINHUA Domestic Service
in Chinese 1324 GMT 15 Jan 91

[Speech by Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, at the fourth council meeting of the All-China Journalists' Association in Beijing on 15 January]

[Text] Beijing, 15 Jan (XINHUA)—Comrades:

The fourth council meeting of the All-China Journalists' Association has opened in Beijing today. The meeting will also commend outstanding journalists and advanced news media of our country. This is a meeting of great significance of China's press circles. On behalf of the CPC Central Committee, I would like to extend my warm greetings to the meeting, and express my heartfelt thanks to advanced news media and to outstanding journalists who keep forging ahead, strive to offer their service and have made outstanding achievements at their workposts. At the same time, I would also like to give and pay my regards and respects to all journalists working hard for newspapers, news agencies, radio stations, television stations, and other departments.

Journalism under the CPC leadership has had a 70-year history if LAODONG ZHOUKAN [LABOR WEEKLY], the organ of the Secretariat of the Chinese Labor Union in 1921, was considered to be its beginning.

Its history extends at least 50 years or more even if the Chinese Young Journalists' Association, an advanced revolutionary journalists' organization set up in 1937 under the sponsorship of such famous journalists as Fan Changjiang and Yun Yiqun with Comrade Zhou Enlai's attention and support, was considered to be its beginning. In the last 50 years and more, Chinese journalists, seeking truth, have always worked under the party leadership and linked their work with the people's revolutionary cause and socialist construction. They have become an important force with more than 400,000 members. Journalism has played a great role in uniting, educating, and inspiring the people, and become an important component part of the revolutionary cause and construction undertakings of our party and our people. Since the Third Plenary Session of the 11th CPC Central Committee, a meeting of historical significance, the journalist circles have done a great deal of effective work. Since the Fourth Plenary Session of the 13th CPC Central Committee, the comrades on the journalism front, working under the leadership of the party Central Committee with Comrade Jiang Zemin as its nucleus, have seriously summed up experience, enhanced their ideological understanding, made new progress, and played a positive role in promoting the building of socialist material civilization and socialist spiritual civilization, in upholding unity among the people of all nationalities and in maintaining social stability. Particularly during the 11th Asian Games, which attracted worldwide attention, the journalists realized creative achievements in publicizing patriotism, dedication, and the superiority of the socialist system and in promoting mutual understanding and friendship between the Chinese people and peoples of other countries. Their achievements have won the people's praise. Facts prove that China's journalists are a contingent that strives to arm itself with Marxism, as well as a contingent with high political awareness, a strong sense of organization and discipline, and great initiative and creativeness. They are trusted by the party and people.

Not long ago, our party held the significant Seventh Plenary Session of its 13th CPC Central Committee, and examined, discussed, and adopted "Proposals of the CPC Central Committee for the Drawing-Up of the 10-year Program and the Eighth Five-Year Plan for National Economic and Social Development." The 1990's are a very crucial period in the historical course of China's socialist modernization drive. The entire party, the people across the country, and comrades of all fronts and departments should work under the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, emancipate their minds, seek truth from facts, unite as one, work hard, meet the challenge of history, and contribute to attaining the second-step strategic objective of the modernization drive.

Comrade Mao Zedong said, in "A Talk to the Editorial Staff of the SHANXI-SUIYUAN DAILY": "The role and power of the newspapers consists in their ability to bring the party program, party line, the party's general

and specific policies, its tasks and methods of work before the masses in the quickest and most extensive way." The journalism front, as the mouthpiece of the party and the people, shoulders an important duty in the next 10 years, when the entire party and the people across the country will work to accomplish their strategic tasks. The party Central Committee earnestly hopes that all comrades on the journalism front will firmly uphold the principle of proletarian party spirit in journalism, serve socialism and the people in an even better way, adhere to the principle of publicizing mainly positive things, and always keep to a correct orientation in guiding public opinion. It is necessary to do an even better job in publicizing economic construction, reform, opening to the outside world, and the building of spiritual civilization, and to step up education in socialism, patriotism, and collectivism. At the same time, it is necessary to take a further step to promote journalistic reform, strive to make news reports meet the people's needs and suit the readers' [as published] liking, and enhance their propaganda effects.

In order to successfully accomplish the tasks assigned by the party and the people, comrades on the journalism front should be "engineers of the soul of the mankind" in reality as well as in name, just as Comrade Deng Xiaoping has demanded. Journalism organizations should attach great importance to ideological education, organizational building, and improvement of work style among the journalists, and constantly improve their quality. It is necessary to carry out education in upholding the four cardinal principles and opposing bourgeois liberalization persistently and unremittingly. It is necessary to make great efforts to enhance vocational ability, improve work ethics, and overcome unprofessional irregularities. It is necessary to make great efforts to organize journalists to immerse themselves among the masses, go down to the grass-roots units, and plunge into the thick of life. At the same time, we should also see the hardship of journalists, enhance our understanding of them, and show concern for them.

The All-China Journalists' Association is a national mass organization under the party leadership. Over the years, the All-China Journalists' Association and local journalists' associations have strived to serve the journalists and done a great deal of work. They have become a bridge linking the party and government organizations at various levels with the press circles. The party Central Committee hopes that in the 1990's the All-China Journalists' Association and local journalists' associations will play an even better role in providing service and serving as liaison, coordinator, and supervisor in the press circles. It is necessary to protect legitimate rights and interests of journalists, guide them to enhance their self-restraint ability, and supervise their performance with respect to work ethics. It is necessary to organize vocational exchanges in the press circles and help party committees and governments do good training work to improve the quality of journalists. It is necessary to promote international exchanges and increase friendly

exchanges between Chinese journalists and their foreign counterparts. The All-China Journalists' Association and local journalists' associations should make new efforts and contributions in these respects. Party committees and governments at various levels should show greater concern and support for the work of the journalists' associations, guide them in work, provide the necessary conditions for them to carry out regular activities, and make them play an even better role.

I hope that this meeting will help promote unity and enhance vigor, and it will mobilize and inspire journalists across the country to seek truth, keep forging ahead, work hard in unity, and make new and even greater contributions to realizing the magnificent goals of the 1990's. I wish the fourth council meeting of the All-China Journalists' Association great success!

Journalists Commended

OW1501204491 Beijing XINHUA in English
1640 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—Fifty-nine press units and 396 journalists were commended for their contributions to the country at fourth meeting of the Executive Council of the All-China Journalists Association (ACJA) here today.

Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, extended his thanks to those commended and the rest of the country's 400,000 journalists.

During the meeting, the executive council will discuss how to amend the constitution of the ACJA and examine the ethics code of Chinese journalists, and elect the association's new leadership.

Mu Qing, vice-chairman of the ACJA and president of the XINHUA NEWS AGENCY, made an opening speech. Wu Lengxi, chairman of the ACJA, reported the work of the organization in the past few years.

The number of ACJA group members has increased from about 50 in 1983 to 166 now. To explore and promote journalism reforms, the ACJA has organized a variety of press conferences and held several training courses and symposiums.

According to Wu, the ACJA has devoted major efforts to expand its contacts and exchanges with the press circles of Hong Kong, Macao and Taiwan. The ACJA has received about 2,000 reporters from Hong Kong and Macao and over 1,000 from Taiwan in recent years.

The ACJA is also increasing its exchanges with other countries. It has received about 1,200 reporters from over 80 countries and sent 180 journalist delegations to over 80 countries over the past few years, he added.

At present, the ACJA maintains contact with over 170 resident correspondents from 110 press organizations of 27 countries in an effort to provide them with conveniences in news coverage.

Code for Journalists Drafted

HK1601055091 Beijing CHINA DAILY in English
16 Jan 91 p 3

[By staff reporter Xu Xiangqun]

[Text] China's journalists will soon have to follow a code of ethics as authorities worry that unhealthy practices are spoiling the name of the media.

The draft of the code of Ethics Principles for China's Professional Newworkers is expected to be examined and approved by a five-day board meeting of the All China Journalists' Association which opened yesterday in Beijing.

According to the code, all people working in the field must abide by some basic rules. "Guiding principles are necessary in order to prohibit and punish unorthodox practices in the field of newwork," the code says.

The code demands news reporting and commentary, video and pictures should pay attention to their effect on society.

And news reporters must stick to the rules of faithfulness, justice and objectivity in their work.

The draft says any "unorthodox practices" are forbidden. There should be no trading of news for money, and no accepting of bribes. And "paid news"—advertisements embodied in news—are described as "moral decay" and therefore forbidden.

According to the draft, there are two major immoral practices carried on by journalists in China:

—Treating news as a commodity that can be sold and bought. Hence the term "paid news".

—Participation in money-making business by people in charge of news reporting and editing. Examples include canvassing for ads and donations.

The fourth board meeting of the All China Journalists' Association (ACJA) was attended by 233 board members, and by 398 "model journalists" who were rewarded at the opening ceremony.

In an attempt to encourage excellent work by news reporters, the association has established the "Fan Changjiang (1909-70) Prize", the highest reward in the field and named after an outstanding journalist in modern China. The work of choosing a winner is now underway.

According to Wu Lengxi, chairman of the ACJA, the association now has 420,000 members throughout the country, double the number in 1983 when the last board meeting was held.

Commentator's Article on Meeting

OW1601030891 Beijing XINHUA Domestic Service
in Chinese 1428 GMT 15 Jan 91

[RENMIN RIBAO commentator's article: "Learn From Outstanding Journalists: Greeting the Convocation of the Fourth Council Meeting of the All-China Journalists' Association"]

[Text] Beijing 15 Jan (XINHUA)—A national meeting to commend outstanding journalists and advanced journalistic collectives was held ceremoniously on 15 January. Meanwhile, a meeting of the Fourth Council of the All-China Journalists' Association also opened in Beijing. These are great events in press circles that are worth noting and greeting.

The contingent of journalists, led by the party, has been an important front army in the course of revolution and construction. It is even more so in the new period of historical development. Since a meeting of the Third Council of the All-China Journalists' Association in April 1983, national and local professional journalists' associations have vigorously conducted various activities, have united large numbers of journalists to inherit and carry forward fine traditions, and have shown initiative and a creative spirit in accomplishing much fruitful work in building great socialism with Chinese characteristics. At the same time, our contingent of journalists has developed rapidly in strength. The group membership of the All-China Journalists' Association has expanded from a little over 50 in 1983 to 166 at present, and the number of people engaged in journalistic work has increased from 200,000 to 420,000. Such a massive journalistic army is an important force in promoting the building of socialist material and spiritual civilization in our country.

Since the fourth plenary session of the party's 13th Central Committee, large numbers of journalists, under the leadership of the party with Comrade Jiang Zemin as the nucleus, have assiduously studied Marxism, conscientiously summed up their experiences and lessons, and penetratingly criticized bourgeois liberalization and the bourgeois concept of journalism, thus further firming their faith in socialism. Our journalists have persistently served socialism and the people, taken positive propaganda as the main form, worked hard in a high spirit, and made tremendous efforts to attain political, economic, and social stability and development in our country. They have made gratifying achievements. Taking a broad view of the mainland, we can find footmarks left by journalists everywhere—such as the farmland of promise, bustling construction sites, campuses and classrooms with the sound of reading aloud,

frontier sentry posts hit by storms and snows, institutions where scientific experiments are orderly and seriously conducted, disaster areas where floods and fires have no mercy for anybody and where relief work is performed, main streets and back lanes in prosperous cities, and mountains and regions of rivers and lakes inhabited by minority nationalities—and articles and reports, the fruit of journalists' hard work, are read with admiration by people. The party and people highly appraise the contributions made by journalists in publicizing the party's principles and policies; eulogizing great creations by people; disseminating information on construction, reform, and open policy; exposing various unhealthy tendencies; and reporting exchanges and friendship between China and other countries in the world. All this will go down in the history of socialist modernization in China.

In the socialist era, heroes have come forth in large numbers. There is a galaxy of heroes on the journalistic front. The 396 outstanding journalists and 59 advanced journalistic collectives that have just been commended are honored representatives of the press. Some of them have taken a firm, clear-cut stand, and persisted in the correct direction of public opinion in storms of political struggle; some have been bold in carrying out reform and blazing new trails, vigorously seeking new ways to report news, and opening new fields of news reportage; some have gone, without fear off any dangers or difficulties, to gather news wherever there is the greatest danger or difficulty; others have been brave in upholding the truth and have struggled resolutely against corruption and unhealthy tendencies, giving no thought to personal gains or losses; still others, without regard for personal gain and fame, have worked quietly for decades without profit to themselves [incomplete sentence as received]

Their fine character, outstanding abilities, and remarkable achievements have won the respect and praise of the people. They are the cream of the press and examples for large numbers of journalists to learn from.

All comrades in the press should learn from those advanced individuals and collectives. We should learn from their firm stand of being loyal to the people, to the motherland, and to the socialist cause; we should learn from their fine style of being realistic and continuing to make progress; we should learn from them in being selfless and dauntless and from their awe-inspiring spirit of upholding the truth; and we should learn from their noble moral character of working hard and being brave in making contributions. When their good ideas, fine work style, and useful experiences yield positive results everywhere in the press, this is bound to greatly raise the quality of the contingent of journalists as a whole.

The spring has come earlier to the old country, and new plum blossoms are bursting in the capital. The "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development," adopted at the the Seventh Plenary Session of the 13th

CPC Central Committee have sounded the call to strive to achieve the great goals at the end of this century. The tasks facing us are new, as well as more glorious, yet more arduous.

"As the celestial body moves steadily, so a man of noble character should make unremitting efforts to improve himself." We wish that in the coming decade socialist journalism in our country will continue to reform itself, blaze new trails, and become ever more prosperous along the course charted by the party. We wish that party and government organizations in various parts of the country will show greater concern for and give more support to the work of journalists' associations so that they will be further consolidated and developed and will make greater achievements.

We wish comrades in the press good health and success in writing. We wish that they will study hard and continue to improve themselves. We also hope that they will write more and better journalistic works, make more and better video works worthy of the great times, and compose new chapters on the great cause of revitalizing China and reunifying the motherland.

Article Sees Journalism as Party Mouthpiece

HK1601051791 Beijing RENMIN RIBAO in Chinese
8 Jan 91 p 8

[Article by Xiao Hong (2556 4767): "It Is Still the Mouthpiece"]

[Text] In China, Liang Qichao was the first to refer to journalist tools as the "mouthpiece." In an article written in 1896, he said: "A person without ears and eyes, or without a mouth and tongue is called handicapped..... That which helps the ears, eyes, mouth, and tongue, and eventually encourages the handicapped all over the world, is called the newspaper office."

Comrade Hu Jiwei formerly supported this view, as we can see from his "Collected Works on Journalism." Later, he changed his mind. At a news appraisal meeting, he said: "Our papers are called the mouthpiece, one for the party. It does not have a brain, because the brain is in another person's head. We are only the mouthpiece, because whatever other people think we do." Although the remark was rather vague, the meaning is still clear: He is not happy to be the "mouthpiece" but wants to be the "brain."

The word "mouthpiece" is only a figure of speech, and is synonymous with a public opinion organ or an organ speaking on someone's behalf. It relates to the relations between the party's journalism and the entire party's cause. Lenin once said: "For the socialist proletariat, writing is not the tool an individual or group makes money with, and it can never be a personal job unrelated to the proletariat party's cause." "Writing should be part of the entire cause of the proletariat, and should be a gear

and screw in the huge socialist democratic machine operated by the whole body of enlightened pioneers of the entire working class."

Is it possible for the "mouthpiece" to become the "brain?" In other words, is it possible for a news organization to have no background of a class nature, group, or party and to be independent from the drive of the group's interests and political guidance, but to be formed by a group of journalists who represent and guide themselves? There have been no precedents in history. News is ideology and belongs in the superstructure and must be limited by the economic base. The production relations of a sort reflects the ideology of production relations of that sort. In the presence of class struggle, news always represents a definite class nature, group interest, and accepts the ideological guidance of the class and group. Some people say: "The 'mouthpiece' is a function of news, not a nature." In my opinion, it is still a nature, because only the nature will affect and determine the overall situation.

Comrade Hu Jiwei does not agree with the idea that news is only the "mouthpiece" but not the "brain." He said: "If someone's mind is sober, what we say will be well-organized; if someone is confused in his mind, what we say will become sheer nonsense." I think that in essence the relations between the "mouthpiece" and the "brain" are roughly like this. NATIONAL INTEREST, an American magazine, carries an article saying that the capitalist system is perfect and flawless, and that that point of social development is where history terminates because there will be no further development in the future. One cannot say that the NATIONAL INTEREST editors are particularly silly and innocent, because they have been influenced by a class background and class interest. Some newspapers and periodicals at home and abroad are particularly fond of inventing rumors and spreading them in pages, and their outlines are also decided by their own nature. The newspapers and periodicals of socialist China are the newspapers and periodicals of the party, government, and all revolutionary parties and groups. Under the guidance of the CPC, the Chinese people are carrying out socialism, a great practice, and this is something no predecessors have ever done before. In practice, it is unavoidable for us to have taken the winding road, and it is not strange at all for the journalist tools to follow false things. To avoid this, we need to sum up lessons. However, it is not a question of right or wrong, if we change the role of journalism because of the false things.

Being unwilling to be the "mouthpiece" cannot change the role of news as the "mouthpiece." For an answer, we can find some clues from Hu Jiwei's other remarks. At a theory symposium of an enterprise paper, he said: "The papers run by entrepreneurs, as we say, are not the enterprise papers we are currently running, but comprehensive papers. The so-called papers run by entrepreneurs have never existed in our country nor in other socialist countries. They are relatively popular in capitalist societies, because almost all of them are run by

entrepreneurs, who are either capitalists or capitalist groups, and either millionaires or billionaires." He continued: "As the commodity economy develops, some entrepreneurs, who are also statesmen, will appear in our country. They will consciously influence and transform politics, and influence and transform society."

Now that the papers are run by "millionaires and billionaires," and that they are to "influence and transform society," will their values be followed or those of their employees in the newspaper offices? Will the papers be the "mouthpiece" or the "brain?" I think people know this without being told.

Li Peng Inspects Tianjin 11-14 January

OW1501185191 Beijing XINHUA in English
1756 GMT 15 Jan 91

[Text] Tianjin, January 15 (XINHUA)—Premier Li Peng has stressed that leaders at all levels—from the central and local authorities to enterprises—should earnestly attach emphasis to improving the performance of enterprises in their work this year and in the coming period.

He made these remarks during a four-day inspection tour of this industrial city in north China from January 11 to 14.

At a forum attended by leaders of Tianjin Municipality and large and medium-sized enterprises Monday, Premier Li said that the economy should have a certain growth rate and the output should expand, but the growth should be based on higher economic efficiency.

"If we seek a high growth rate to the neglect of efficiency," he added, "enterprises would make no progress."

During his stay in Tianjin, Premier Li visited the Tianjin economic and technological development zone, new Tanggu port, the upgrading project of the Tianjin airport, the new Tianjin railway station and several large enterprises including Tianjin Dagang power plant, Tianjin petro-chemical corporation, and a Sino-foreign joint venture textile mill.

Accompanying Premier Li during the inspection tour were Tan Shaowen, secretary of the Tianjin Municipal Committee of the Chinese Communist Party, and Nie Bichu, mayor of Tianjin.

During the forum the premier aired his views on how to improve the performance of enterprises.

He said that poor economic efficiency of enterprises resulted from the neglect of developing new products and insufficient input into technical upgrading.

He urged all leaders to pay due attention to the technical progress of enterprises.

The premier said the principle of integrating planned economy with market regulation should be used to boost

the progress of enterprises, and enterprises themselves should pay great attention to the marketing of their products.

Li Peng also urged enterprises to do a good job in readjusting the economic structure and take the advantage of opening to the outside world in revamping themselves technically.

On invigorating the enterprises, the premier said the state should adopt various measures to further create favorable external conditions for the development of enterprises including allocating necessary funds.

But it is even more important, he said, that the enterprises should make great effort to tap their potentials, adjust economic structure, improve management and promote technical progress.

Li said that it is very important for an enterprise to invest more in technological improvement, for it has a direct bearing on the future development of the enterprise.

He said good management will help to raise economic efficiency, and the initiatives of workers should be brought into full play.

He noted that in income distribution, the policy of distribution according to one's work should be implemented.

He said that the reforms of the labor security system, health care and housing system may be carried out in some enterprises when conditions are ready.

Li also stressed the importance to fully rely on and give play to the role of the workers as masters of the state and enterprises.

During the inspection, the premier praised the achievements Tianjin made in the past ten years, and encouraged people in the city to work hard and make greater progress.

Speaks at Forum

OW1601095591 Beijing XINHUA Domestic Service
in Chinese 1608 GMT 15 Jan 91

[By reporters Sun Benyao (1327 2609 1031) and Li Yuanpu (1612 0337 3184)]

[Text] Tianjin, 15 Jan (XINHUA)—State Council Premier Li Peng spoke at a forum attended by leaders of Tianjin Municipality and some large and medium enterprises in the municipality yesterday [14 January]. He stressed: Leaders at all levels—from the central and local authorities to enterprises—should earnestly attach emphasis to improving the performance of enterprises in their work this year and in the coming period. The economy should have a certain growth rate and output should expand, with growth based on higher economic efficiency. If we seek a high growth rate but neglect efficiency, enterprises will make no progress.

Li Peng inspected the work in Tianjin from 11 to 14 January. Accompanied by secretary of the Tianjin municipal party committee, Tan Shaowen and mayor Nie Bichu, the premier defied intense cold to inspect the infrastructure in the Tianjin Economic and Technological Development Zone, the new Tanggu port, the upgrading project of Tianjin Airport, the new Tianjin railway station, the Tianjin Dagang Power Plant, as well as the Tianjin Petro-Chemical Corporation, Jinying Textile Mill—which is a Sino-foreign joint venture—Tianjin Seamless Steel Pipes Plant, Tianjin Municipal Microbus Plant, Tianjin Bicycle Plant, and Tianjin Municipal No. 5 Cotton Textile Mill, from 11 through 13 January.

After on-the-spot inspection, Premier Li Peng attended a forum on the morning of 14 January and discussed, together with leaders of some large and medium enterprises, measures for improving the performance of enterprises. He asked some enterprises about their product variety, output value, quality, efficiency, and sales, as well as major problems and solutions, future development plans, and the income, housing, and medical care of workers. The forum was held in a lively atmosphere, with attendees asking and answering questions, giving briefings, exchanging experiences, discussing problems, and making suggestions.

Li Peng put forward an eight-point suggestion for improving the performance of enterprises.

1. It Is Necessary To Focus the Work of Enterprises on Raising Their Efficiency This Year.

Li Peng said: This year is the first year of the Eighth Five-Year Plan as well as a year for economic improvement and rectification and deepening of reform. The central task of enterprises during the year is to pay close attention to quality, variety, and efficiency. With internal difficulties and external pressure, our enterprises faced a relatively grim situation in the past two years. At present, the situation is developing in a favorable direction.

However, the declining tendency of enterprise economic efficiency has not been basically stopped. Poor economic efficiency of enterprises is a long standing problem resulting from a weak sense of commodity economy and a failure to develop new products because "the emperor's daughter needs not to worry about finding a suitor [referring to the ready market for state enterprises]." Moreover, this problem is also a result of insufficient efforts to upgrade technology and build up the strength of enterprises over the years.

The central and local authorities and enterprise leaders should earnestly attach importance to upgrading the technology of enterprises beginning from this year. An enterprise which fails to upgrade its technology is devoid of vitality.

2. The Principle of Integrating Planned Economy With Market Regulation Should Be Used To Boost the Progress of Enterprises.

Li Peng pointed out: It is necessary to fully utilize the merits of both planned economy and market regulation to more effectively develop social productive forces and promote the progress of enterprises. China is a developing country with a vast population and limited resources and funds. In order to modernize our country within a relatively short time, it is necessary to maintain a harmonious and proportionate growth of the national economy, rationally dispose of resources, and avoid redundant construction through economic planning, to concentrate our financial resources to carry out key construction projects having a vital bearing on the national economy and the people's livelihood. Meanwhile, it is necessary to bring into play the mechanisms of competition and survival of the fittest through market regulation, in order to stimulate the enthusiasm of enterprises and workers in promoting technological progress, improving managerial and operational standards, and carrying out production and management according to market demands. The current problem lies in the failure of enterprises to pay close attention to the marketing of their products as a result of operating under an excessively centralized economic system for a long time. Each enterprise, regardless of the portion of its operations under planned economy, should gradually foster a market awareness to withstand the test of markets. Judging from the future direction and trend, the scope and portion of mandatory planning will be gradually reduced, while the portion of planning through guidance and market regulation will be gradually increased. There will be a gradual transition from a dual to a unitary pricing system, and irrational prices will be gradually readjusted. Enterprises must attach great importance to the marketing of their products. A good enterprise needs not only to turn out competitive products but also to be apt at marketing its products. At the same time, it should continuously adapt its products to market demands through feedback of market information.

3. Carry Out Economic Structural Readjustment Well.

Li Peng said: Readjustment of the economic structure involves many aspects. First, it involves the readjustment of the industrial structure, that is, the balance between industry and agriculture, between processing industries and basic industries, and between heavy industry and light industry. Such structural readjustment involves a dynamic and continual process over a rather long period of time. Second, it involves readjustment of the product mix and the development of new products in line with the needs of society. Third, it involves organizational readjustment of enterprises including the formation of enterprise groups and integration of enterprises in one form or another so that production factors will be rationally distributed and financial, material, and

human resources can be pooled for technical innovations. Moreover, there is also readjustment of technical makeup and the regional economic structure.

4. Take Full Advantage of Opening Up to the Outside World in Carrying Out Technical Renovations Among Enterprises.

Li Peng pointed out: Enterprises must take full advantage of the policy of opening up to the outside world and the opportunity presented by this policy to revamp themselves technically. Particularly, Tianjin, a port city, has already an economic and technological development zone in its initial stage of development and it should take full advantage of it. It is necessary to, by way of technological and economic cooperation with foreign firms in one form or another, raise the technological and management levels of enterprises. Our goal is not merely to sell our products in the international market; it is even more important to constantly promote technological progress of our enterprises through feedback of information in the international market.

5. Properly Handle the Relationship Between Internal Causes and External Causes While Invigorating Enterprises.

Li Peng said: There are internal as well as external causes for the current lack of vitality among large and medium-sized enterprises. We must properly handle the relationships between the internal causes and external causes and do a good job in both areas. The state should adopt various measures to further create favorable external conditions for the development of enterprises including allocating necessary funds for selected, key technical renovation projects. It is even more important that the enterprises should make great efforts to tap their potential. The enterprises must pluck up their spirit. Even if the market is sluggish, their spirit must remain high. They should turn the current difficulties into opportunities and a driving force for readjusting economic structures, improving management, and promoting technical progress.

6. Develop a Technological Base and Do a Good Job in the Development of New Products.

Li Peng said: For an enterprise to grow it must develop new products and have a contingent of competent technical personnel. Developing new products needs input. Enterprises should invest more in technological improvement and build a technological reserve force. We must not only set our eyes on the present but also forecast sales in the future. Inferior goods are the first to be affected when demand is sluggish, while quality goods continue to sell well. Therefore, development of new products is essential for sustained growth of the enterprise.

7. Improve Enterprise Management and Raise Efficiency Through Improved Management.

Li Peng stressed: Good management will help to raise economic efficiency and the initiatives and creativity of workers should be brought into full play. We should introduce modern management mechanisms such as total quality control and pay close attention to quality in every stage of manufacturing.

On the policy of income distribution, Li Peng said, generally, we should stress the following two points: Distribution according to one's work and rewarding the industrious and punishing the slothful. Difference in income is necessary. Egalitarianism will hamper social progress but income gaps should not be too wide. He pointed out: Reforms of the labor security system, health care, and housing system may be carried out in some enterprises when conditions are ready. The method of the state, enterprise, and individual sharing the costs should be adopted in the housing system reform to speed up improvement of housing conditions. We should strive to achieve marked improvements in housing conditions in the next decade.

8. Bring Into Full Play the Political Advantage of Enterprises.

Li Peng emphasized: It is necessary to smoothen out the relationship between the party and government administration in enterprises and fully rely on and give play to the role of the workers as masters of the state and enterprises. In our socialist society, the fundamental interests of the state, enterprises, and individuals are identical. This is a political advantage that should be amply utilized. We should continue to use, innovate, and develop good traditions and methods which have proved effective in the past. Enterprises should promote their technological progress through deepening reform and opening wider to the outside world, and overcome difficulties in a hardworking and self-reliant spirit. Since the Fourth Plenary Session of the 13th CPC Central Committee, the party Central Committee, with Comrade Jiang Zemin as the nucleus, has intensified party building and strengthened ideological and political work, thereby enabling enterprises to bring into further play their political advantage.

On the morning of 13 January, Li Peng listened to a work briefing by the Tianjin municipal party committee and municipal government. Commenting on the work of Tianjin Municipality, Li Peng said: In the past decade, Tianjin has implemented the party's basic line and scored notable achievement in the policy of reform and openness. Municipal construction has proceeded smoothly; urban transportation and residential housing have been improved; and longstanding power and water shortages have been alleviated. All of these have provided favorable conditions for improving the people's livelihood and developing the economy. Despite relatively difficult circumstances last year, Tianjin registered a six percent industrial growth and reaped a bumper agricultural harvest. These achievements did not come

easily. The primary difficulty for the municipality lies in the lack of strength for future economic development. During the next decade, Tianjin should give play to its role as an old industrial base and port city, carry forward the glorious tradition of its working class, and make the best use of its resourceful scientific and technical personnel. By so doing, Tianjin can build itself into a base for the light, textile, machinery, electronics, and raw and semi-finished materials industries while achieving further development of its monetary, trade, and other tertiary industries.

Accompanying the premier on the inspection were State Councillor Li Guixian and responsible persons of the relevant State Council departments Ye Qing, Qi Yuanjing, Liu Zhongli, He Chunlin, Li Xianglin, Sheng Huaren, Chi Haibin, Liu Hongru, and Dai Jie.

Li Peng Congratulates Linfen Railway Subbureau

OW1501142691 Beijing XINHUA Domestic Service
in Chinese 1001 GMT 15 Jan 91

[Text] Beijing, 15 Jan (XINHUA) —Li Peng's Congratulatory Letter to the Linfen Railway Subbureau:

Linfen Railway Subbureau:

I am glad to learn that you have marked your 10th anniversary of production safety on 30 Dec 90. I want to especially extend my warm congratulations and cordial regards to all cadres, staff members, and workers as well as their relatives in the subbureau.

Railways constitute a major artery of the national economy. The task of transportation is extremely arduous. It is a rare and commendable feat indeed to have made the remarkable achievement in attaining the 10th anniversary of production safety. Facts have shown that so long as we adhere to the principle of "safety and prevention first," unremittingly put safety in production before everything else, strictly observe discipline, strengthen scientific management, and implement the production safety responsibility system, we can maintain a long-term steady record in production safety. Your operation has accumulated valuable experience in production safety not only for the railway but also for the other industries.

This is the first year for implementation of the Eighth Five-Year Plan. Our country's national economy will continue to develop in a favorable direction. The responsibilities and tasks you shoulder will be heavier and more arduous. I hope that you will earnestly implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, thoroughly carry out activities in the "Year of Quality, Variety, and Efficiency," do a good job in production safety, and make even greater contributions to sustained, stable, and coordinated development of the national economy.

[Signed] Li Peng

[Dated] 9 Jan 1991

Leaders Write Opera Festival Inscriptions

OW1501182991 Beijing XINHUA Domestic Service
in Chinese 0929 GMT 11 Jan 91

[By reporter Shao Jianwu (6730 1696 2976)]

[Text] Beijing, 11 Jan (XINHUA)—Leading Comrades Jiang Zemin, Li Peng, Li Xiannian, Li Ruihuan, Wang Zhen, Li Tieying, and Song Renqiong recently wrote inscriptions successively for the Beijing opera festival marking the bicentennial of the introduction of Hui opera into Beijing.

Jiang Zemin's inscription was: Let a hundred flowers blossom, weed through the old to bring forth the new, meet the needs of the new era, and promote the building of spiritual civilization. Li Peng's inscription was: Carry forward national culture and rejuvenate the art of Beijing opera. Li Xiannian's inscription was: Make concerted efforts to enhance the quintessence of Chinese culture. Li Ruihuan's inscription was: Combine inheritance and development, and pay attention to popularization and enhancement simultaneously. Wang Zhen's inscription was: Carry forward the outstanding culture of the Chinese nation and make socialist culture and art thrive. Li Tieying's inscription was: inheritance, creation, and development. Song Renqiong's inscription was: There is no lack of successors to the flourishing art of Beijing opera.

Jiang Zemin, Qiao Shi Command Armed Police Force

OW1501113391 Beijing XINHUA Domestic Service
in Chinese 0415 GMT 14 Jan 91

[By reporter Li Kunzhou (2621 6064 5297)]

[Text] Beijing, 14 January (XINHUA)—In the past year, the Armed Police Force has made major contributions to the defense of the socialist system and the maintenance of social stability. This has been fully confirmed by Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, and Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and secretary of the Central Commission for Political and Legal Affairs, during their recent inspection of the headquarters of the Armed Police Force.

Last year, the Armed Police Force played a positive role in stabilizing the situation in the whole country by steadfastly carrying out the central authorities' policy of making "stability an overriding task" and by regarding the maintenance of social stabilization as a matter of prime importance and carrying it out accordingly.

The various units of the Armed Police Force responsible for safeguarding the Asian Games formulated duty implementation and contingency plans and started training prior to the games. The organs at various levels made concerted efforts and took the initiative to carry out timely and satisfactory protection. In carrying out their duties, leaders of the organs at various levels

exercised strong command on the front lines from beginning to end. A large number of officers and men worked in unity to successfully complete various safety protection assignments at the Asian Games Village, the Jinghaihu Subvillage, and Qinhuangdao; in 79 competition and training fields and stadiums; and throughout 27 competition events, 296 art festival performances, and the Asian Games torch lighting ceremony. The Armed Police Force in various areas strengthened the preparation and duty implementation work and played an important role in creating a favorable social environment during the Asian Games, thereby ensuring the smooth progress of the relay of Asian Games torch and the visit and other activities of the guests.

The Armed Police Force also ensured the safety of fixed targets and ad hoc security tasks. Various units strengthened duty management, thereby raising the quality of service in general. The number of accidents that occurred on duty decreased by 50 percent from 1989. The Armed Police Corps in Shanghai, Jiangsu, Inner Mongolia, Anhui, Hubei, and Tibet achieved an accident-free record in carrying out their duty in the whole year. During the year, while ensuring the safety of several thousands of fixed targets, the Armed Police Force also successfully completed the task of safeguarding the tourist areas of Beidaihe, Dalian, Qingdao, and Yantai, and a large number of ad hoc security assignments.

In the past year, serious natural disasters and accidents happened in some areas in the country. The Armed Police Force actively participated in disaster relief work on 2,135 occasions and sent out over 70,000 troops, making important contributions to protecting the safety of people's lives and properties. Officers and men of the armed police corps of Qinghai, Fujian, and Zhejiang fought stubbornly, playing the role of shock forces and showing excessively tough style in carrying out the disaster relief work during earthquake and typhoon. Sichuan's armed police corps fought fearlessly and continuously in putting out the fire in the Liziyan Tunnel of Xiangyu railway and in rebuilding the damaged railway. Their outstanding performance was commended by Comrades Jiang Zemin and Qiao Shi.

Qiao Shi at National Public Order Meeting

OW1501130991 Beijing XINHUA Domestic Service
in Chinese 0603 GMT 15 Jan 91

[By reporters Zou Aiguo (6760 1947 0948) and Guo Xiusheng (6753 0208 3932)]

[Text] Yantai, 15 Jan (XINHUA)—A national work meeting on taking comprehensive measures to maintain public security opened in Yantai today. The basic task proposed by the meeting for taking comprehensive measures to maintain public security requires all departments to make joint efforts and employ various political, economic, administrative, legal, cultural, and educational means to maintain and improve public security.

reduce law violations and crimes, safeguard social stability, and create a beneficial social environment for implementation of the reform and open policy as well as the four modernizations by relying on the broad masses of the people and under the unified leadership of the party committees and governments at all levels.

Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and secretary of the Central Political Science and Law Commission, presided over the meeting and spoke. Ren Jianxin, deputy secretary of the Central Political Science and Law Commission, delivered a report entitled "Let's Mobilize the Whole Party, Pay Close Attention to Taking Comprehensive Measures, and Wage Struggles To Create Favorable Public Order."

This is an important meeting whose convention has been approved by the party Central Committee. The major tasks of the meeting include implementing guidelines laid down by the seventh plenary session of the 13th Central Committee of the party and studying and drawing up plans for the work of taking comprehensive measures to maintain public security nationwide for a certain period of time to come and the work of public security, the procuratorate, and the judiciary to be done this year in a bid to make new contributions to further successfully preserving public security, maintaining social stability, and ensuring the smooth progress of economic construction as well as reform and open policy.

In his speech Qiao Shi stressed: The convention of the meeting fully shows the high degree of importance attached by the party Central Committee and the State Council to the work of taking comprehensive measures to maintain public security and signals that the work will be promoted to a new level. Successfully holding and concluding the meeting will definitely produce a positive influence over our continued efforts to adhere to the people's democratic dictatorship, promote the development of socialist democracy and legal systems, bring about a turn for the better in our public security, and safeguard and develop political, economic, and social stability under the new situations.

Qiao Shi said: At present, China enjoys political stability and its economic situations are improving. The leadership and the rank and file throughout the country call for stability. The convention of the seventh plenary session of the 13th Central Committee of the party has further boosted the morale of all the comrades of the whole party as well as the broad masses of the people. As a result, the enthusiasm of the masses of all walks of life about participating in socialist modernization has run high. Generally speaking, the situation of public security is also good, like those in other areas. However, the public security problem remains one that stands out among other social problems; it is one of the hot points which are of common concern to all circles in society and the masses of people; and the tasks confronting us in our work of public security, the procuratorate, and the

judiciary are extremely arduous. We hold the meeting in order that we may carry out in good time the work of taking comprehensive measures to maintain public security following our campaign to "crack down" and that we may strive to further bring about a turn for the better in our public security. We intend to further systematize the existing experiences acquired in taking comprehensive measures to maintain public security and spread them far and wide, step by step, through this meeting. It is hoped that everyone will make suggestions and strive to properly solve some major problems that exist in the work of taking comprehensive measures to maintain public security and that badly need solution.

In his report Ren Jianxin said: Taking comprehensive measures to maintain public security is a correct policy put forward by the party Central Committee after it has summed up historical experiences, an important guarantee for implementation of the 10-year program and the "Eighth Five-Year" Plan, an important integral part of the building of the socialist spiritual civilization, an objective need for adhering to the people's democratic dictatorship and consolidating the socialist system, an urgent requirement for the party to maintain close ties with the masses, an important measure for promoting development of socialist legal systems, and the latest development in integrating special work with the mass line under the new situation. Therefore, it is necessary for party committees and governments at all levels, all departments and units, all walks of life in society, and the broad masses of the people to consider maintaining public security as their own responsibility, take concerted action, and vigorously commit themselves to the various tasks of taking comprehensive measures to maintain public security.

Ren Jianxin noted: The socialist system is capable of controlling public security problems and crimes and of minimizing them as much as possible. We can fully exploit the superiority of socialism and build China into one of the countries in the world with the best public security records by motivating the forces of the whole party and society to jointly maintain public security and by implementing the principle of taking comprehensive measures.

On the demands for work in taking comprehensive measures to improve public security, Ren Jianxin said: Party committees and governments at all levels should attach importance to comprehensive measures, improve their leadership bodies and offices, and hold regular meetings to study and plan for work in this regard. All departments and units should take joint actions and introduce a system of "accountability among those in charge." All measures should be implemented at grass-roots units in urban and rural areas, so that a public network of prevention and control will be formed, and the vast numbers of people will improve their legal concepts and find the courage to fight illegal acts and crimes.

Ren Jianxin stated: The comprehensive approach is mainly aimed at achieving social stability, curbing and gradually reducing major cases involving vicious and frequently committed crimes, greatly trimming ugly social phenomena, thoroughly changing the conditions in areas and units affected by public disorder, improving public order, and instilling a sense of security among the public.

Ren Jianxin said: The comprehensive approach primarily consists of six measures—"fighting, prevention, education, control, improvement, and reform." He said emphatically: Fighting is an important part of the comprehensive approach and a prerequisite to enforcing the other measures. Without fighting harshly against serious crimes and cracking down hard on the "six vices" and other ugly social phenomena, the arrogance of criminals cannot be effectively deflated; the spread of the "six vices" cannot be effectively checked; normal production, work, and social order cannot be safeguarded; national construction and the people's lives and property cannot be secured; and social conduct cannot be improved. Under such circumstances, it will be difficult for the other measures under the comprehensive approach to produce due effects. Hence, there will be no comprehensive approach and social peace without fighting.

In his report, Ren Jianxin made specific suggestions on improving leadership; striving to enforce comprehensive measures at the grass-roots level; thoroughly implementing, institutionalizing, and codifying the principle of "holding those in charge accountable"; and expanding the roles of judicial and public security departments, especially those of public security agencies, in improving public order in a comprehensive way.

During the meeting, delegates will extensively discuss and study the fundamental guidelines of the comprehensive approach, pertinent tasks, leadership structure, relevant principles and policies, and major measures.

Members of the Central Commission of Political Science and Law; responsible comrades in charge of judicial and public security affairs at various provincial, autonomous regional, and municipal party committees; and responsible comrades from organs directly under central authority, relevant departments of government agencies, and the various major units of the People's Liberation Army attended the meeting.

Hu Jintao Attends Memorial Service in Lhasa

GW1501021691 Lhasa Tibet Television Network
in Mandarin 1300 GMT 14 Jan 91

[From the "Tibet News" program]

[Excerpts] The memorial service for Comrade Xikang Tubdain Nyima, a fine CPC member, a loyal fighter of the people, and vice chairman of the Standing Committee of the Fifth People's Congress of the Tibet Autonomous Region, was held in the People's Hall of Tibet at 1100 on 14 January.

Party, government, and military leaders of the autonomous region, including Hu Jintao, Pagbalha Geleg Namgyai, Gyaincain Norbu, Basang, Mao Rubai, Danzim, Chen Hanchang, Senggen Lozong Gyaincain, Pudoje, Lang Jie, Jangzhong Zhaxi Doje, Puqung, Gyamco, Gying Pucong Cedain, Zheng Ying, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Liu Yongkang, Tangmai Gongjue Baimu, Gonbasar Tubdanjigzha, Qaba Gaisang Wangdui, Cedain Zhoima, Duojizha Jiangbailuosang, Geng Quanli, Yang Youcai, as well as some members of the funeral committee, and representatives of various departments and Lhasa City, totalling 800 people, attended the memorial service.

Presiding over the ceremony was Pagbalha Geleg Namgyai, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], vice chairman of the Standing Committee of the autonomous regional People's Congress, and vice chairman of the autonomous regional CPPCC committee. Hu Jintao, secretary of the autonomous regional party committee, delivered the memorial speech.

Wreaths were sent by regional leaders Hu Jintao, Pagbalha Geleg Namgyai, Raidi, and Gyaincain Norbu. [passage omitted]

Wreaths and telegrams of condolence were also sent by the CPPCC National Committee, the General Office of the National People's Congress, the Organizational Department of the CPC Central Committee, the United Front Work Department of the CPC Central Committee, the State Nationalities Affairs Commission, the All-China Youth Federation, the Central Committee of the Communist Youth League, the State Physical Culture and Sports Commission, the Chinese People's Association for Friendship with Foreign Countries, the China Federation of Literary and Art Circles, the China Mountaineering Association, the China Science and Technology Association, and the Tibetan offices in the hinterland.

Wreaths or telegrams of condolence were also sent by Xi Zhongxun, Ngapoi Ngawang Jigme, Ye Fei, Ni Zhifu, and Chen Muhua, vice chairmen of the Standing Committee of the National People's Congress; Lu Feng, director of the Organizational Department of the CPC Central Committee; Liu Yandong, secretary of the Communist Youth League of China; Han Xu, of the Chinese People's Association for Friendship With Foreign Countries; as well as veteran leaders who had worked in Tibet. [passage omitted]

[Video begins with a shot of a picture of Xikang Tubdain Nyima and cuts to a medium shot showing Hu Jintao, Gyaincain Norbu, and other Tibetan leaders, standing in a line facing the picture, to pay respects; it then cuts to a closeup shot showing Hu Jintao delivering the memorial speech]

Official Lin Mohan Airs Views on Corruption
HK1601083591 Beijing RENMIN RIBAO in Chinese
11 Jan 91 p 6

[“Press Digest” column: “Lin Mohan Says Corruption Would Have Worsened if Rioters Had Come Into Power”]

[Text] The magazine DANGJIAN [PARTY BUILDING] No. 10 published an article in 1990 by Lin Mohan entitled: “It Is Necessary To Maintain a Good Style of Identifying Oneself With the People.” The article said that strengthening education among party members is an issue concerning the party’s life or death. Our party’s central leadership under Chairman Mao perceived this long ago. It is a pity that in the last few years, we did not actually attach importance to ideological education, and the flesh-and-blood ties between the party and people were damaged. Some people openly advocated some seriously erroneous slogans. For example, some people in our theoretical circles openly called for “looking to money” and said that “looking to money will become a force to promote social development” and that “only by looking to money can one look to the future.” In the past, we advocated “hard struggle” and “identifying oneself with the people.” This was held in contempt. For a certain period, people did not dare mention “learning from Lei Feng” for fear that this would be taken as a demonstration of ossification. Some people said that Lei Feng had lost his personal attributes. How could Lei Feng have no personal attributes? His personality was to serve the people wholeheartedly. Isn’t this the most noble attribute? Should a person who merely cares about making money for himself or herself and seeking selfish gains be regarded as having a good personality? Some people involved in the revolt [referring to June 4 incident] were corrupt themselves, but they instigated the masses to oppose our party’s corruption. Admittedly, there existed corruption among us. However, the real features of the behind-the-scenes plotters were laid bare. Their aim was not to oppose corruption but to overthrow the Communist Party. In China, if the Communist Party was overthrown and if those who stirred up the revolt had come into power, corruption would have been worsened more seriously. I think that a comrade in Guangdong was right in saying in his article that “if they had succeeded, a batch of capitalists, millionaires, and billionaires would have appeared in China, but the vast majority of people would have had a hard time.” The capitalists could only rely on the support of imperialism. Then, our nation would have lost independence and freedom.

‘Pen Talk’: Quan Shuren on Studying Socialism
HK1601122091 Beijing RENMIN RIBAO in Chinese
2 Jan 91 p 5

[“Pen Talk” under the heading “Only Socialism Can Develop China,” by Quan Shuren (0356 2885 0088),

secretary of Liaoning Provincial CPC Committee: “Pay Earnest Attention to Study of Socialist Theory”]

[Text] At present, our province is carrying out the study and research on socialist theory. This is an important strategic measure to strengthen the party’s ideological and theoretical building implemented in accordance with the central plan after the Fourth Plenary Session of the 13th CPC Central Committee. This is of great immediate importance and profound and far-reaching historical significance to implementing the party’s basic line, raising the party’s fighting capability, and effectively preventing “peaceful evolution.” Party organizations and leading cadres at various levels must pay close and earnest attention to this crucial matter.

It Is Necessary To Be Fully Aware of the Importance, Urgency, and Profound Strategic Significance of Studying Socialist Theory Under the New Circumstances

Equipping all the party cadres with Marxist theory has always been a fundamental task in the building of our party and an important guarantee of the victory in revolution and construction. At present, the CPC Central Committee proposes that it should become the focus of theoretical education to have the broad ranks of cadres, especially leading cadres at and above county level, study socialist theory well. This is a strategic measure with a clear objective adopted in light of the current international and domestic situation of struggle, the requirement of the work that we need to do, and cadres’ present ideological state. This is of both immediate importance and profound and far-reaching significance.

First, it is necessary to understand the importance of studying socialist theory well in terms of upholding the party’s nature as the vanguard of the working class. Scientific socialism is an important component of the party’s guiding ideology. Under the guidance of scientific socialism, our party correctly formulated line, principles, and policies that conformed to the demand of revolution and construction, overcame numerous difficulties and obstacles, defeated, one after another, its formidable enemies both in China and from abroad, and became a great, glorious, and correct proletarian party and the core of leadership of the entire Chinese nation, leading them from one great victory to another in revolution and construction. There were also lapses in party history and even serious setbacks. The reason, if traced to its root, is that something went wrong with the guiding ideology and there was a deviation from the guidance provided by the theory of scientific socialism. The lessons from which the communist parties in some other countries suffered are even more valuable for us to draw upon. Innumerable facts have proved that without holding on to the guidance of the theory of scientific socialism, the proletarian party’s nature would change and the cause of revolution and construction would inevitably go astray. Without studying scientific

socialism, we would be unable to make true Communists. Therefore, we must equip the broad ranks of party members and cadres with the theory of scientific socialism and consistently use it as the guidance for our act in a steadfast, in-depth, and sustained way. Only by so doing can we preserve our party's nature as the vanguard of the working class and enable our country to forever progress along the road of scientific socialism.

Second, it is necessary to understand the great significance of studying socialist theory well from the high plane of fighting "peaceful evolution." At present, our party and country are faced with complicated international and domestic situations at a critical moment in the historical development. Socialism has met with an unprecedented challenge in the world evolution and is faced with a severe test. Many new problems need prompt scientific answers and correct solutions. The political turbulence and drastic changes in East Europe and the turmoil and rebellion that happened in our country the year before last gave us no choice but to soberly ponder over the international and domestic political struggle. The positive and negative experiences should bring us to this conclusion: To carry out socialist construction and reform and opening up, we must staunchly uphold the four cardinal principles, fight against bourgeois liberalization and "peaceful evolution" without a moment of slackening. Why did so many people fall prey to deception and hoodwinking all of a sudden the year before last? This, apart from some other reasons, is inseparable from the fact that we had given up some fronts in the ideological field for some time in the past. The struggle between "peaceful evolution" and opposition to it is a major form of struggle between two social systems and two ideologies. Therefore, our party should not only continue to stand up to the test of being in a ruling position and that of reform and opening up, but also withstand the test of fighting "peaceful evolution." Under such circumstances, whether our party members and cadres could make correct judgments about the situation amid great storms, hold out against various adverse currents, keep to the correct political orientation and remain invincible, hinges on whether we can equip and educate the whole party with the theory of scientific socialism, so that all the comrades in the party will be more steadfast in political stand, more united in ideology and more mature in theoretical understanding, and keep level-headed under any complicated situation without losing their bearing. Therefore, carrying out in more depth the study of socialist theory is required by the effort to foil the imperialists' attempt at "peaceful evolution" in our country and stand up to various external pressures and attacks, and also by the deepening of the struggle against bourgeois liberalization.

Third, it is necessary to, in light of the urgent need to firmly implement the party's basic line and continue to push forward the cause of building socialism with Chinese characteristics, deepen the understanding of the importance of studying socialist theory well. Political line is the fundamental guarantee for accomplishing the

party's tasks. Over the past 10 years or more, in the course of our implementing the party's basic line of building socialism with Chinese characteristics, there are both experiences of success and those of failure. Under the current international and domestic circumstances, it is very necessary to conscientiously study and scientifically master socialist theory. Only this way can we have a profound understanding of "one center, two basic points" and their dialectical relationship, and further enhance our consciousness of implementing the party's basic line. Implementing the party's basic line and building socialism with Chinese characteristics is a process of constantly integrating theory with practice and conducting exploration and innovation. Without studying socialist theory well, we would be unable to solve the various problems that we are faced with in the socialist modernization drive. In order to realize the modernization, our party formulated the "three-step" strategy for economic development. Through the effort of the whole party and whole nation, we have completed the first step. It is essential to do well at the second step in the coming 10 years. To fulfill the strategic goal for the 1990's, the tasks are arduous and involved. They require the whole party to closely integrate the basic principles of scientific socialism with the reality of socialist modernization drive and reform and opening up, constantly solve new problems, and explore in practice the road for building socialism with Chinese characteristics. At present, particularly, it is all the more important for us to study socialist theory well in order to solve the various problems we are faced with involving political, economic, and social stability and development.

Fourth, it is necessary to fully understand the profound significance of studying socialist theory well, in light of the strategic need to bring up successors to the socialist cause and to ensure that the party and state authorities at all levels be in the hands of true Marxist loyalists. To realize the grand goal of socialist modernization, it takes the unremitting efforts of several generations. Senior cadres are the backbone of our cause. They need to study under the new conditions. It is all the more important to realize that the now middle-aged and young cadres will continue to play their roles in the next century. They live in the critical period of our country's development, shouldering the heavy historical responsibility of bridging the foregoing and the coming, and carrying forward the revolutionary cause into the future. Whether or not the party and state powers at various levels remain in the hands of those cadres who are loyal to Marxism 10 or 20 years later has a bearing on the rise or fall of the party and the state, and on the destiny of socialism in China. Therefore, striving to enhance the quality of the broad ranks of cadres, especially the Marxist theoretical quality of leading cadres, has become a very important and urgent strategic task facing the whole party. It is both a top priority of the moment and a long-term commitment to educate the whole party with socialist theory in the new historical context, so that they can further firm up their political conviction, better define their political

orientation, and guarantee the consistency and stability of our party's policy. This deserves close attention from the whole party.

Historical experiences have told us that what naturally follows a major struggle is always an extensive and in-depth upsurge of theoretical studies. This is what the struggle demands and also what the struggle brings about. The result that the theoretical studies prompt a leap forward in the ideological and theoretical understanding of all the cadres of the party will invariably lead to the deepening of the struggle which will develop toward a new and higher stage. This is the dialectical relationship of theoretical studies with revolution and construction. The rectification movement in Yanan was a great campaign of studying Marxist theory; studying the history of social development in the early postliberation days was a movement of theoretical studies; the discussion on practice as the sole criterion of truth was a movement of studies; studying the Marxist theory on reproduction and that on socialist commodity economy was also a movement of studies. These movements of studies all lead to the leap forward in the ideological and theoretical understanding of the whole party and the whole people. They were all summaries of experiences in struggle and effectively pushed forward the development of revolution and construction at those times. Today, we have experienced, and are experiencing, an intense and complicated struggle that is connected with the future and destiny of socialism. It is all the more necessary to sum up past experiences, positive or negative, and guide the present and future struggle with socialist theory.

In Studying Socialist Theory, It Is Necessary To Pay Attention to Remolding World Outlook and Take Solid Steps To Push Forward the Work In All Fields

Resolving people's deep-level ideological problems and conscientiously remolding the world outlook is the prime task of studying socialist theory. People's world outlook frequently finds expression in the stand, viewpoint, and method of understanding and handling various problems in different struggles and work situations. A revolutionary world outlook has to be firmed up and tested constantly in the struggle. Therefore, solving problems concerning the world outlook is an incessantly repetitional process instead of a once-and-for-all matter. In view of the ideological status quo of the cadres in our province, the following problems should be given particular attention and well solved along with the study of socialist theory.

First, it is necessary to solve well the problem regarding the faith in socialism. The essence of the solution to this problem is to find an answer, at the ideological and theoretical level, to the question concerning the destiny of modern-day scientific socialism, i.e., an answer to whether scientific socialism is doomed, or bound to succeed. This is a challenge from the hostile forces abroad and the bourgeois liberalists in China. We should, through our studies, truly master Marxist stand,

viewpoint, and methodology, capable of fully understanding that socialism replacing capitalism is the mainstream in historical development, and gain a clear recognition of the protracted, complicated, and tortuous nature of this process. This way, we will be able to remain sober-minded amid intense and complicated struggles and see the bright prospects, boost our courage and confidence, and do not waver or step back in times of frustrations and difficulties. We will be able to stand up against all forms of pressure in the struggle against "peaceful evolution," infiltration, and subversion, and get a firm foothold in the confrontation and struggle between the four cardinal principles and bourgeois liberalization. This is an important yardstick for judging the result of socialist theory studies of all cadres.

Second, it is necessary to solve well the problem regarding the fundamental stand of whom to serve. The party leading cadres at various levels are charged with extremely important responsibilities in leading the people in socialist construction. The issue regarding whom to serve is one that concerns the cadres' fundamental stand. Loyalty to socialism is synonymous to loyalty to the people's interests. The socialist cause is the common cause of hundreds of millions of people. Upholding socialism is, in the final analysis, upholding the fundamental interests of the masses. Everything for the masses, full reliance on the masses, from the masses, to the masses, this is the most basic point of departure and foothold of us Communists in thinking and doing things. The mistake that our party has been most inclined to make since it came into power is divorcing from the masses. All cadres, especially leading cadres, should always be on guard against it. This is a major problem that calls for a solution in the building of our party and socialism. By studying the socialist theory, cadres should handle well the relationship between leading and serving, primarily serving the people, and lead the masses forward in the middle of serving them; handle well their responsibility to their superior organs and that to the masses, correctly integrate them and adhere to the conformity between them; handle well the relationship between personal interests and those of the masses and hold on to the principle of being the first to bear hardships and the last to enjoy comforts; handle well the relationship between "from the masses" and "to the masses": The former comes the first, which requires the cadres to know the demand and feelings of the masses and readily listen to the masses' opinions, both appreciative and depreciative ones, especially their criticisms of us, followed by "to the masses" when a decision is made. It is necessary to overcome bureaucracy, subjectivism, and various practices that divorce from the masses among the cadres through studies of socialist theory.

Third, it is necessary to solve well the problems concerning mode of thinking and style of work. Marxist philosophy is the theoretical basis of scientific socialism. The theory of socialism is full of the viewpoints and methodology of dialectical materialism and historical

materialism. Studying the theory of socialism is to master these basic viewpoints and methodology. Only by so doing can we have a deep understanding of the major issues concerning socialism that have been recently put forward, overcome the partiality and metaphysics in ideology and methodology, and keep to the party's ideological line of seeking truth from facts. We must apply these basic viewpoints and methodology that we have learned through study to our practical work of building socialism with Chinese characteristics.

We should adopt the rounded, dialectical mode of thinking and fine style of seeking truth from facts and proceeding from actual conditions in all fields of endeavor. Whatever we are doing, we should always seek truth from facts, refrain from talking big and taking to flourishes, work in a down-to-earth manner, and go for substantial results. When reporting on work progress, we should give both good news and bad, and the superiors should also be willing to listen to both. When setting tasks and formulating principles, we should proceed from actual conditions, instead of depending solely on books or instructions from above. We should affirm and sum up the achievements and positive experiences in our work, and be brave enough to self-criticize, correct, and overcome the shortcomings and mistakes at work. In-depth investigations and studies should be regarded as an important means to establish a scientific mode of thinking and improve the work style. We should energetically encourage the practice of conducting investigations and studies, go deep into the actual conditions and the masses, explore the law for building socialism with Chinese characteristics, and seek the methods for solving the various problems in the reform, opening up, and construction.

Fourth, it is necessary to solve well the problem concerning outlook on life and conception of values. To struggle for the realization of communism is how we the Communists look at life and where the value of our life lies. Without a correct outlook on life and conception of values, it is impossible for one to truly command the theory of scientific socialism. Even if one masters some viewpoints in the form of expressions or sentences but fails to do what one says in practice, it will do nothing but harm to socialism. Therefore, leading cadres must, through their studies, check whether their outlook on life and conception of values are in keeping with the requirements of socialism. By studying the theory of socialism, they should further heighten their consciousness of struggling for socialism and communism, increase their ability to resist the corrosion of various negative and corrupt ideas, and withstand the test of being in power and opening up. It is necessary to clear up the influence of bourgeois outlook on life, conception of values, ethics, and moral concepts, and prevent the phenomenon of seeking ease and comfort and pursuing the decadent bourgeois lifestyle; correctly handle the relationship between developing commodity economy and upholding communist ideals, beliefs, and ethics, and take effective measures to eliminate such corrupt phenomena and

unhealthy practices as abusing power for personal gains and bartering power for money; by having the broad ranks of party member cadres study the theory of socialism, help them acquire a sound understanding of their position and responsibility in the socialist modernization drive, enhance their party spirit, reinforce their awareness of organization and discipline, play an exemplary role, and truly become proletarian vanguards with lofty communist ideals.

The purpose of studying the theory of socialism is to apply it, build the socialist cause well, and accomplish our strategic goal. Therefore, on the one hand, we should use the theory of socialism to study, explore, and seek solution to the various problems in the course of construction and reform and opening up. On the other hand, the extent to which one's world outlook has been remolded should be tested with the practice of socialist modernization, to see if enthusiasm has been aroused and one's own duty has been well carried out according to what is required by the party and government. At present, there are many problems to be studied and solved in theory and practice. For example, how to better integrate upholding the four cardinal principles with adhering to reform and opening up in the course of the modernization drive and pay equal attention to the building of two civilizations, to prevent "hard on one hand, soft on the other"? How to realize the sustained, steady, and coordinated development of national economy? How to integrate planned economy with market regulation? How to correctly embody the socialist principle of distribution according to work? How to further develop the socialist democratic system? How to balance the party organization's role of political nucleus with the director's role of management core in an enterprise? How to improve party building under the new circumstances? And so on and so forth. All these questions revolve around one general topic, i.e., how to propel the effort of building socialism with Chinese characteristics further ahead, and to handle all the affairs in China even better during the period of the "Eighth Five-Year Plan" and the last, critical 10 years of the 20th century. As far as Liaoning's situation is concerned, we will, as our principal task in the coming five years: continue to steadfastly implement the party's basic line; take solid steps to strengthen and improve the party's leadership; unite with and rely on the people of all nationalities in this province; consolidate and develop the political situation of stability and unity; deepen the reform and expedite the opening up through self-reliance and hard struggle; concentrate energy on developing and constructing the Liaodong Peninsula to activate the transformation of old industrial bases, the development of "three-Liao" region, and the vitalization of the overall provincial economy; lay the foundation for redoubling the GNP ahead of schedule and bringing people's livelihood to the level of comfort; and make strenuous efforts maintain long-lasting political, economic, and social stability in Liaoning.

Leading Cadres at All Levels Should Take the Lead To Study the Theory of Socialism Well With the Spirit of the Rectification Movement

In studying the theory of socialism, it is necessary to conduct in-depth education on socialist ideology and faith for the broad ranks of cadres and masses. We have been stressing that leading cadres at and above county level are the chief participants in this movement of studies. It is of special importance for them, who constitute the backbone of leadership of the party and state, to study well the theory of socialism and strengthen their consciousness of, and determination in, carrying out the party's basic line in this initial stage of socialism in an all-around way. Only when they have truly studied the theory of socialism well, turned themselves into a mainstay force in building a socialist cause with Chinese characteristics, and used what they have learned to educate the broad ranks of cadres and masses and lead them in an unremitting effort to build socialism with Chinese characteristics, can we possibly guarantee the success of our cause. Therefore, leading cadres at various levels should fully understand their respective duties and take the lead to study the theory of socialism well with a high degree of consciousness. They should treat their socialist theory studies as an important responsibility that they should take up and make a good job of the studies with the understanding that it is an organic component of their practical work.

In studying the theory of socialism at present, special emphasis should be put on the spirit of the rectification movement. That is to say, one should study the theory of socialism regarding the three major styles of the party and carry forward the revolutionary style of study that our party has always been advocating.

First, we should study in keeping with the style of closely integrating theory and practice; procure a solid command of the basic viewpoints of scientific socialism by centering around the theory of socialism, integrating with the study of Marxist philosophy, and with a special emphasis on the need to read more of the basic Marxist works; have a clear goal in mind and take the theory of socialism as our effective weapon with which we can solve practical problems concerning ideology and work in a substantial way.

We should also carry forward the style of criticism and self-criticism in our studies, conscientiously sum up positive and negative experiences, and look for where we lag behind in our work and ideology, to facilitate improvement. The theory of socialism reflects the general rule of socialist construction and is a mirror for our practical work in various fields. We should look into this mirror and check how well we have done in our practical work. We should earnestly sum up positive and negative historical experiences, especially those that have been accumulated during the 10-year reform and opening up, and find out which are successful and which are not and what we can learn from them and what we should do in the future. We should be particularly mindful of where

we lag behind in political orientation, outlook on life, conception of values, and mode of thinking, to clarify our guiding ideology, steer our practical work steadily in the right direction, and promote the healthy development of our cause.

In our studies, we should continue to keep in close touch with the masses and follow the mass line. We should, stepping out of our offices and conference rooms, listen to the voices of the masses and learn their practical experiences on the one hand and, on the other hand, share what we have learned from our studies with the masses, educate them on the theory of socialism, deepen our understanding of socialism together with them, and guide them to conscientiously adhere to the road of building socialism with Chinese characteristics. Only this way can we push socialist theory and practice to a new stage and make a better job of the work in Liaoning.

Chen Zuolin at Discipline Inspection Conference

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[By XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Wuhan, 14 Jan (XINHUA)—Chen Zuolin, deputy secretary of CPC Central Committee's Commission for Discipline Inspection, called on discipline inspection organs at all levels today to further heighten their sense of responsibility and mission, and safeguard and implement party discipline to ensure smooth implementation of the party's basic lines.

Chen Zuolin made the call at the National Conference on Examination of Discipline Cases which ended in Wuhan, Hubei Province. Relevant responsible comrades from discipline inspection committees of various provinces, autonomous regions, and municipalities directly under the central government; the Discipline Inspection Commission of the Central Military Commission; discipline inspection committees of central and state organs; and discipline inspection organs of certain ministries and committees attended the conference.

Addressing the conference, Chen Zuolin said: The party's discipline inspection organs shoulder a heavy responsibility in party building. This is embodied in the party constitution, which stipulates that discipline inspection commissions must safeguard the party constitution and other major rules and regulations; assist party committees to improve party conduct; and inspect the implementation of the party's basic lines, principles, policies, and resolutions and other aspects. Discipline inspection organs must therefore make earnest efforts to improve party conduct and enforce party discipline, making sure that the party remains the vanguard of the working class serving the party's basic lines. At present, we must, first of all, conscientiously study and unwaveringly implement the guidelines of the Sixth and Seventh Plenary Sessions of the 13th CPC Central Committee to ensure smooth implementation of the party's basic lines.

Chen Zuolin pointed out: Earnest investigation of cases within the party for safeguarding and enforcing party discipline are an important task of discipline inspection, and they are also an important requirement in building a stronger party. He urged discipline inspection organs to intensify their efforts in handling cases of indiscipline and ensure the dignity of party discipline in accordance with the principle of managing party affairs and enforcing discipline in a strict manner.

On the examination of cases, Chen Zuolin said: Examination of cases of indiscipline within the party is an important procedure the party's organization and discipline inspection organs must take when handling these cases. It is also an effective measure to improve efficiency. Apart from strictly and meticulously examining a large number of cases of indiscipline in the last few years, examination organs also attached importance to laws, regulations, and investigation; and accomplished a great deal of work in ensuring the quality of handling cases and enforcing party discipline.

Chen Zuolin pointed out that party discipline must be strictly enforced in conjunction with regular discipline education. He said: In recent years, the Central Discipline Inspection Commission issued many practical regulations and procedural regulations, thus gradually institutionalizing and standardizing discipline inspection. These regulations, the basis for handling party members' lack of discipline, also serve as teaching materials for raising party members' consciousness of observing party discipline and obeying the law. He stressed that discipline inspection organs' strict enforcement of discipline and the punishment of party members are for building a stronger party and maintaining its progressiveness and purity. By doing so, party organs and party members can develop soundly without making mistakes or making fewer mistakes. This being the case, good party conduct and discipline must be based on regular education so that party members' quality, party spirit, and law abiding awareness can be improved and heightened.

Chen Zuolin also commented on issues such as the relationship between case examination and inspection.

Guan Kuangfu, secretary of the Hubei provincial party committee, also attended today's conference.

Ding Guangen Attends Industry Federation Meeting

OW1501233791 Beijing XINHUA Domestic Service
in Chinese 1216 GMT 15 Jan 91

[Text] Beijing, 15 Jan (XINHUA)—The third session of the Sixth Executive Committee of the All-China Federation of Industry and Commerce closed in Beijing today. The meeting proposed that the federations of industry and commerce at various levels and their members should seriously study the documents of the Seventh Plenary Session of the 13th CPC Central Committee, fully understand the significance of attaining the second-step strategic objective of socialist modernization,

understand the changes in the domestic and international situation and our tasks, realize the urgency of their work, enhance their sense of responsibility, and make new contributions to China's economic development and social progress.

The meeting unanimously supported the "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development." The meeting called on the federations of industry and commerce at various levels and their members to do all they can to perform actual deeds for socialist modernization in accordance with the tasks and demands put forward by the Seventh Plenary Session of the 13th CPC Central Committee. It urged the federations of industry and commerce to conduct thorough investigations and studies on major economic construction questions and pay attention to investigating economic efficiency of enterprises and studying how to improve their external environment and internal management. It called on them to offer suggestions; wholeheartedly perform their duty of participating in and discussing state affairs; carry out activities in connection with the "quality, variety, and efficiency year" campaign; and continue to serve the task of improving the economic environment, rectifying economic order, and deepening reforms.

The meeting adopted the "Resolution on Studying and Implementing the Guidelines of the Seventh Plenary Session of the 13th CPC Central Committee" and four other documents.

During the meeting, Ding Guangen, alternate member of the Political Bureau of the CPC Central Committee, member of the central Secretariat, and head of the Central United Front Work Department, called on the comrades attending the meeting and held a discussion with the Standing Committee members of the All-China Federation of Industry and Commerce. Jiang Minkuan and Wan Shaofen, executive deputy head and deputy head, respectively, of the Central United Front Work Department also attended the meeting.

First Aviation Law Readied for Approval

HK1601024891 Beijing CHINA DAILY in English
16 Jan 91 p 3

[By staff reporter Gao Jinan]

[Text] China's first aviation law, which is currently being revised and amended, is expected to be submitted for approval to the State Council and the National People's Congress (NPC) soon.

The Bureau of Legislative Affairs under the State Council is examining the draft and soliciting opinions from the People's Liberation Army (PLA) and the Ministry of Aeronautics and Astronautics Industry.

The law, which was first drafted by the Civil Aviation Administration of China (CAAC), aims to safeguard

national aviation rights and interests and to promote the development of national aviation, according to an official from CAAC.

The official said the law had been drafted with reference to international aviation conventions and laws in other countries.

It was regarded, he said, as a basic law to govern the national aviation industry, currently controlled by separate sets of rules and regulations.

He said most articles in the law involved the civil aviation industry, but foreign aircraft flying over China would have to strictly abide by the law. He did not elaborate.

The official said his bureau, in co-operation with the Legislative Affairs Bureau under the State Council, had organized several seminars and meetings to discuss the draft law.

Earlier reports said there were differences between CAAC, the PLA and the aeronautics and astronautics industry on the making of the law. The official admitted that problems still existed.

But he said he was sure the law would soon be delivered for approval to the NPC, the highest national legislative body, after the State Council had solved the problems.

With the rapid development in the field, the State Council issued seven regulations involving civil aviation between 1985 and 1989. The rules cover the management of aircraft and airports and non-scheduled flights in civil air transport.

CAAC also issued 16 rules governing the development of the industry last year.

Official on Solving Environmental Problems

OW1501213491 Beijing XINHUA in English
1548 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—A Chinese official in charge of environmental protection said today that in international environmental protection affairs China is willing to take on reasonable international duties and seek ways to solve this global issue through wide international cooperation.

Li Xue, deputy director of the Environmental Protection Commission of the State Council, gave these remarks at a seminar on climate changes and environmental protection, which began here today.

He said that in order to solve the global environmental problems that are in the common interests of mankind and all developing countries, the following principles should be followed:

—Correctly handling the relations between environmental protection and development. This principle applies especially to the developing countries, which

can only deal with the environment issue as as part of their economic development.

—Making it clear who should bear the most responsibilities in the global environmental issues. The developed countries prospered only after having used the world's resources for a long time free of charge. In this sense, they should take on a greater share of the responsibility in solving the problem.

—Maintaining the sovereignty of each country over its resources. The sovereignty of each developing country over the development and use of its natural resources can not be violated, and that one country cannot interfere with the internal affairs of another in the name of environmental protection.

—Strengthening the wide participation of developing countries in the issue. Now that most of the developing countries face the double pressure of both environmental protection and economic development, they pay more attention to the environmental issue. Necessary measures are needed to ensure the participation of developing countries in international environmental affairs.

—Taking into full account of the special needs and conditions of the developing countries. These countries encounter problems ranging from ecological deterioration, shortages of funds, backward technology, and population growth, to environmental pollution and resource shortages resulting from industrial development.

—Environmental protection should not be used as an additional condition for economic aid and as an excuse for new trade barriers.

—The developed countries have the responsibility to provide ample supplies of money to help the developing countries protect the environment, or make up for the losses that result from their environmental protection efforts.

—Strengthening the creation of an international law governing the environmental issue.

In the meantime, Li put forward some other suggestions regarding global climate changes, the protection of the ozone layer, the protection of the biological species, the transfer of harmful wastes, and marine pollution.

He said that the universal and most serious ecological environmental problems facing the developing countries would no doubt negatively affect the steady development of the world economy. Therefore, he said, solving these problems should be no less important than other global issues calling for the full attention and support of the international community.

Li said that the United Nations environment and development congress scheduled for June, 1992, will be of vital importance to the interests of the developing countries, and may be an important occasion leading to

changes in the present state of international relations. It will also revitalize the South-North dialogue and open up new fields for the South-South cooperations, the official said.

Li called for more consultation, coordination and cooperation among the developing countries in the world's environment affairs.

According to the official, the ministers of environment affairs from some developing countries will meet here in June this year to discuss ways to solve environmental problems and goals for the un environment and development congress.

Beijing Symposium Studies Law for Handicapped

*OW1501153891 Beijing XINHUA in English
1429 GMT 15 Jan 91*

[Text] Beijing, January 15 (XINHUA)—A symposium on China's new law safeguarding the legal rights of the handicapped, was held here this morning.

Over 60 law experts, social welfare workers, officials and people with disabilities attended the meeting and expressed their views on the significance, function, educational aspects and application of the law.

Jiao Shanmin, vice-chairman of the Committee for Internal and Judicial Affairs of the National People's Congress (NPC), said that it has taken five years to draft the law, and the opinions of people from different walks of life have been absorbed. The law displays the superiority of China's socialist system, he said.

Ruan Chongwu, minister of labor, said that employing disabled persons is one of the basic ways to help them improve their social status and play a more significant role in social life.

Deng Pufang, chairman of China's Federation for Disabled Persons, said that the law has not only created a good weapon with which handicapped people and their employers can fight against illegal practices, but also a guideline for the development of work for people with disabilities in China.

At the symposium, a dozen other participants also expressed their views and ideas, which include widely publicizing the law, so as to ensure that people understand its significance; stressing the sincere application of the law; and strengthening efforts to formulate other relevant laws and regulations to protect the rights and interests of the disabled.

The law, which will be put into practice on May 15 this year, was passed at NPC Standing Committee last December.

Article Views Concern for Reform, Opening Up

*HK1501085091 Beijing RENMIN RIBAO
in Chinese 8 Jan 90 p 4*

[“People's Forum” column by Ren Xing (0117 2622): “On the Sense of Worry”]

[Text] In recent years, many people liked to talk about the sense of worry. On the surface, such remarks were uttered by people who had the good intention of sharing worries with the state; but if those remarks are carefully analyzed, it is not hard to find that the sense of worry can contain different meanings and political ideas.

In the first category, the sense of worry reflected the people's concern about the socialist cause and about reform and opening up. Due to the influence of a money fetish, a small number of party members and cadres disregarded the state's interests and the people's interests, violated party discipline and the state's laws, abused power for their selfish purposes, and seriously corrupted the party style and public conduct. The people bitterly hated such things and did not want to see such a corrupt practice spread unchecked, erode the body of our party, weaken the party's prestige among the people, and obstruct the smooth development of reform and opening up. So they were worried that the great embarkment would be destroyed by the ant nests. Such a sense of worry was derived from the sincere love and support of the broad masses of people and the party rank and file toward the party, the socialist system, and the policy for reform and opening up. It reflected the political consciousness of the people who were concerned about the future destiny of the party and the state, and contained their ardent hope for rectification of the party style. It could be turned into a strong force to promote the building of the party style and the building of clean government. Facts also proved this. Last year, after the Fourth Plenary Session of the 13th CPC Central Committee, the people actively put forward proposals for the building of clean government, and actively exposed some officials' corrupt behavior. They participated in the activities of democratically commenting on party members and cadres and raising constructive proposals to the party in various forms. Such a sense of worry derived from good intentions would produce effects of positive significance.

In the other category, the sense of worry was different. Some people took advantage of certain mistakes committed by the party in the period of socialist construction and the fact that a small number of party members and cadres violated discipline and laws to force the Communist Party to give up the state power and to overthrow the current government. So they did not objectively and correctly approach and analyze the problems; instead, they just deliberately exaggerated them.

People may still remember that Fang Lizhi, who was taken by the “elites” as their adviser, also cracked himself up as a person who was always “concerned” about the nation and the people. In the book “China's

"Disappointment and Hope" he wrote, it seemed that he was worried about the nation's future. In fact, however, what he felt disappointed about was the fact that the broad masses were dedicated heart and soul to the party's cause, and what he hoped for was the capitalist road that was never suited to China and would never be accepted by the Chinese people.

It seems that we need to be soberly aware of the different connotations of the sense of worry which was often mentioned by people. In fact, a certain sense of worry is reflective of a certain political position. The sense of worry kept by the broad masses of people was absolutely different from that kept by those who advocated bourgeois liberalization, because the former firmly believed that only practicing socialism under the leadership of the Communist Party can rescue and develop China, and believed that the CPC which sought benefit for the people wholeheartedly could check corruption and lead the whole nation to a bright and happy future. However, the "elites" who hoped for wholesale Westernization only desired, intended, and proposed to completely negate the party and socialism. There were sharp differences between the two categories of sense of worry, and we should clearly distinguish one from another and treat them differently.

1911 Revolution Anniversary To Be Commemorated

OW1501181991 Beijing XINHUA Domestic Service
in Chinese 0721 GMT 11 Jan 91

[Text] Beijing, 11 Jan (XINHUA)—The National Committee of the Chinese People's Political Consultative Conference [CPPCC] decided today that the 80th anniversary of the 1911 Revolution will be commemorated in a grand way in October of this year.

The decision was adopted by the 12th meeting of the Standing Committee of the CPPCC National Committee which closed today.

The decision says: The 1911 Revolution was a great bourgeois democratic revolution in China's modern history. In order to overthrow the feudal system of the Qing Dynasty and establish a democratic republic, the revolutionary forerunners, with Sun Yat-sen as their representative, struggled hard, sacrificed themselves heroically, and made great contributions. The 80th anniversary of the 1911 Revolution falls on 10 October 1991. To commemorate it in a grand way and publicize the historical significance of the 1911 Revolution is of great significance to carrying out the revolutionary forerunners' behest, enhancing the patriotic and socialist spirit, promoting reform and opening to the outside world and modernization, developing the comprehensive patriotic united front, and achieving reunification of the motherland.

The decision points out: A grand meeting will be held in Beijing in October of this year to commemorate the 80th anniversary of the 1911 Revolution. At the same time, all provinces, autonomous regions, and municipalities

will also hold meetings of a proper scale. In the meantime, some personalities in connection with the 1911 Revolution will be invited to a tea party, and an international symposium on the 1911 Revolution will be held. Personalities who had something to do with the 1911 Revolution will be asked to write commemorative articles. There will be a photo exhibition. Some books and historical data on the 1911 Revolution will be published. Commemorative stamps, envelopes, and coins will be issued. Films on the 1911 Revolution will be played.

It is reported that some personalities in connection with the 1911 Revolution now residing in Taiwan, Hong Kong, Macao, and foreign countries will be invited to attend the commemoration activities in Beijing.

Overseas Chinese Organization Founded

OW1201001491 Beijing XINHUA in English
1413 GMT 12 Jan 91

[Text] Beijing, January 11 (XINHUA)—The Beijing Association of Returned Overseas Chinese from the Philippines was founded here today.

The association is a self-governing mass organization of returned Overseas Chinese from the Philippines and their relatives living in Beijing.

Lin Jiliang was elected chairman of the association at today's founding ceremony.

LIAOWANG To Expand Foreign Circulation

HK1501014591 Hong Kong SOUTH CHINA
MORNING POST in English 15 Jan 91 p 14

[By Chris Yeung]

[Text] One of China's major magazines, OUTLOOK WEEKLY [LIAOWANG], plans to expand the circulation of its overseas edition worldwide to help project a favourable picture of China to overseas-Chinese communities.

According to the magazine's deputy editor-in-chief, Ren Zhengde, the magazine wants to boost its overseas circulation from the present total of around 33,000.

Ren who is in Hong Kong attend the fifth anniversary of the overseas edition said yesterday they were gunning for larger circulation in Hong Kong and Southeast Asia by boosting street sales.

At present, the Hong Kong office of the magazine mainly handles circulation to the neighbouring countries, he said, adding they have also set up another circulation point in New York.

Ren said the expansion plan of the magazine followed a national conference on external propaganda held in Beijing in November.

Military

Military Commission Sets Up Sciences Academy

OW1301134291 Beijing XINHUA in English
1326 GMT 13 Jan 91

[Text] Beijing, January 13 (XINHUA)—With the approval of the Central Military Commission, the China Society of Military Sciences was set up here today.

President Yang Shangkun, who is concurrently vice-chairman of the Central Military Commission, wrote an inscription to mark the establishment of the society. The inscription reads: "Give Play to the Guiding Role of Military Theories To Serve the Modernization of National Defense and Future Anti-Agression Wars."

The society is the highest academic organization to engage in the research of military sciences under the leadership of the Central Military Commission. Its tasks include organizing mass activities in military academic research, exchanging and popularizing research results in military sciences, promoting international military academic exchanges, and organizing the work of examining, appraising, and issuing awards for academic research results.

Liu Huaqing, vice-chairman of the Central Military Commission, was elected honorary president of the society. Jiang Shunxue, president of the Chinese Academy of Military Sciences, was elected president of the society. Wang Ping, Wu Xiuquan, Li Desheng, Yang Dezhi, Xiao Ke, Yu Qiuli, and Hong Xuezhi, were invited to be senior advisors of the society.

Yang Shangkun Writes Inscription

OW1301120891 Beijing XINHUA Domestic Service
in Chinese 0532 GMT 13 Jan 91

[By reporter Xu Jingyue (1776 0079 6460) and correspondent Qin Hua (4440 7520)]

[Text] Beijing, 13 Jan (XINHUA)—With the approval of the Central Military Commission, the Chinese Society of Military Sciences [zhong guo jun shi ke xue xue hui 0022 0948 6511 0057 4430 1331 1331 2585] was established in Beijing today.

Yang Shangkun, state president and vice chairman of the Central Military Commission, wrote the following inscription: "Expand the guiding role of military theory and serve defense modernization and the needs of future war against aggression." Liu Huaqing, Qin Jiwei, Chi Haotian, and Zhao Nanqi also wrote inscriptions.

Liu Huaqing wrote a congratulatory letter on behalf of the Central Military Commission. The letter reads: The establishment of the Chinese Society of Military Sciences is a major event in military science research and signals the booming development of mass research into military sciences. The society must orient itself toward modernization, set its sights on the world and future, and

take full account of the realities of China and its Armed Forces. It must extensively marshal the populace to study Marxist-Leninist military theories, Mao Zedong's military thinking, and Deng Xiaoping's discussions on military affairs; to do basic theoretical research into military sciences and associated disciplines; and to study major practical issues such as national defense construction and Army building.

The Chinese Society of Military Sciences is the highest academic institution under the Central Military Commission to conduct military science research. Its overall mission is to sponsor mass academic research into military sciences; to exchange and promote the results of military science research; to develop international military academic exchanges; to foster academic ties with relevant academic organizations and scholars in foreign countries; and to sponsor activities to appraise and award the results of academic research.

At the inaugural ceremony, Liu Huaqing and Jiang Shunxue, commandant of the Academy of Military Sciences, were respectively elected as the honorary president and president of the society. Fourteen people, including Wang Ping, Wu Xiuquan, Li Desheng, Yang Dezhi, Xiao Ke, Yu Qiuli, and Hong Xuezhi, were elected as senior advisers to the society.

A draft of the "Charter of the Chinese Society of Military Sciences" was discussed and adopted at the ceremony. Jiang Shunxue delivered a speech entitled "Conduct Mass Academic Research and Promote China's Military Sciences."

The society's ten vice presidents, 29 executive directors, and 120 directors were also elected at the ceremony.

Military Science Researchers Meet in Beijing

OW1301142491 Beijing XINHUA Domestic Service
in Chinese 1455 GMT 12 Jan 91

[By RENMIN RIBAO reporter Luo Tongsong (5012 0681 2646) and XINHUA reporter Xu Jingyue (1776 0079 6460)]

[Text] Beijing, 12 Jan (XINHUA)—A grand all-Army work meeting on military science research was held between 10 and 12 January in Beijing.

This grand military science research meeting, held with the approval of the Central Military Commission, is of vital importance to the development of military science in our country and will have a far-reaching effect on our national defense construction and Army building. At the meeting, representatives from the various general departments and services of the People's Liberation Army (PLA), the Commission of Science, Technology, and Industry for National Defense, the Academy of Military Sciences, National Defense University, various military regions, and the headquarters of the armed police force reviewed and examined the military science research work of the whole Army during the period of the

Seventh Five-Year Plan. They also discussed and adopted a Military Science Research Plan (Draft) for the whole Army between 1991 and 1995, which sets forth 10 major tasks and 300 key projects.

The meeting pointed out that the guiding principle for military science research work during the period of the Eighth Five-Year Plan is to uphold Marxism-Leninism-Mao Zedong Thought as guidance, seek truth from facts, integrate theory with practice, base the work on military strategies for the new period, and gear it to modernization, the world, and the future. We should develop academic democracy and let different opinions contend in the academic field. Earnest efforts should be made to sum up the historical experiences of our Army and pay attention to and draw on what is useful. It is necessary to study the people's war under modern conditions and develop and improve military science of the proletariat to serve the purpose of national defense construction and anti-aggression war in the future.

Liu Huaqing, vice chairman of the Central Military Commission, attended the meeting and delivered a speech, fully affirming the military science research achievements scored in the whole Army during the period of the Seventh Five-Year Plan. He said: In compliance with the instructions of the party Central Committee and the Central Military Commission, the broad masses of professional and amateur military science researchers have done a great deal of work and made considerable accomplishments in developing and perfecting the proletarian theoretical system of military science with Chinese characteristics. They have thus contributed to assisting the Military Commission and the PLA general departments in making policy decisions in a scientific way, promoting China's national defense construction and Army building, and improving and developing the proletarian military science with Chinese characteristics. At the same time, a number of military science research personnel have been trained and brought up.

Liu Huaqing said: Leading cadres at all levels in the whole Army should pay greater attention to military science research work and give full play to the role of theory in guiding decisionmaking. They should improve their art of leadership to ensure the smooth progress of construction and reform in the Army.

Liu Huaqing said: At present, it is an urgent task in military theoretical research to further strengthen the study of major practical questions on the construction of our Armed Forces in accordance with the Army building program for the period of the Eighth Five-Year Plan. Based on the actual needs of the new situation and the modernization of our Army, we should deepen the study of military strategies for the new period as well as the questions on political work in the Armed Forces and on the enactment of military laws and regulations. During the new period, many questions on Army building and reform need scientific answers based on the theory. These questions should be studied with intensive efforts

in line with continuously developing and changing circumstances. We should, through in-depth and meticulous study, make our basic theoretical research, applied theoretical research, and practical policy research compatible with one another so that we may use correct theories to solve the actual problems encountered by our Armed Forces and to guide our work of Army building.

Other leaders of the Central Military Commission, including Qin Jiwei, Chi Haotian, and Cho Nam Qi [Zhao Nanqi], attended the meeting.

Jiang Shunxue, commandant of the Academy of Military Sciences, delivered a report entitled "Make a Scientific Plan for the Whole Army's Military Science Research Work During the Period of the Eighth Five-Year Plan Under the Guidance of Marxism-Leninism-Mao Zedong Thought." The report set forth the guiding principle, development targets, and basic tasks of military science research during the Eighth Five-Year Plan period.

Jiang Siyi, deputy commandant of the Academy of Military Sciences, gave the opening address. Yang Yongbin, the academy's political commissar, made the closing speech.

Liu Huaqing Speaks

OW1501175591 Beijing Central Television Program
One Network in Mandarin 1100 GMT 12 Jan 91

[From the "National News Hookup" program]

[Text] The reporter has obtained the following information from the on-going all-Army work meeting on military scientific research: During the Seventh Five-Year Plan period, great achievements were made in military scientific research. The researchers have accomplished 183 major research projects, some of which have received awards from the state and Army, while others have filled gaps in our country and Army. While completing the scientific research program, various units of the People's Liberation Army [PLA] have also accomplished a number of valuable academic research projects, providing useful references for the Central Military Commission and PLA general departments to make policy decisions. The research results also serve as a theoretical guidance for national defense construction and for Army building.

The meeting has reviewed the military scientific research work done by the PLA during the Seventh Five-Year Plan period, and discussed and adopted the draft of the PLA's military scientific research plan for the Eighth Five-Year Plan period. Liu Huaqing, Qin Jiwei, Chi Haotian, Zhao Nanqi and other leading comrades attended the meeting.

Liu Huaqing called on military scientific researchers to make bold suggestions, further promote the PLA's military scientific research work, and make even greater contributions to national defense construction and Army building and to anti-aggression war in the future.

[Video shows closeup shot of Liu Huaqing speaking, pan shots of Liu, Qin Jiwei, Chi Haotian, and Zhao Nanqi seated among others on rostrum facing the audience, and wide shots of an audience of about 1,000]

Henan's Hou Zongbin on People's Militia Work

HK1501111691 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 9 Jan 91

[Excerpts] On 6-9 January, the Eighth CPC Committee of the provincial military district held its ninth enlarged plenary meeting. Main leading comrades who attended the meeting included Hou Zongbin, Wu Guangxian, Zhu Chao, (Wang Yingzhou), Huang Qiugui, (He Jingqi), (Zhang Sijin), (Wang Keyi), and others.

The meeting relayed and studied the spirit of the Seventh Plenary Session of the 13th CPC Central Committee. On behalf of the CPC Committee Standing Committee of the provincial military district, Wu Guangxian, member of the provincial CPC Committee Standing Committee, secretary of the CPC Committee of the provincial military district, and political commissar of the provincial military district, summed up the work and experiences of the reserve service of people's militia in the whole military district over the past year. Entrusted by the CPC Committee Standing Committee under provincial military district, Zhu Chao, deputy party secretary and commander of the provincial military district, reported to the plenary meeting the main tasks and requirements of the reserve service of people's militia this year.

At the meeting, Hou Zongbin, provincial party secretary, and first party secretary of the provincial military district, made an important speech on strengthening the building of reserve forces, and giving full play to the role of the members of the people's militia reserve forces. He said: Our Army and people's militia are the main armed forces of the state. They are the powerful pillar of the people's democratic dictatorship. Taking the international and domestic situation into consideration, we must further strengthen and enhance our understanding of the the important strategic significance of the building of reserve forces in accordance with the requirements of the CPC Central Committee and the Central Military Commission. With a spirit of being highly responsible for the party and state, we must actively organize our people's militiamen to carry out their duties, and play their own role. Comrades of party committees and People's Armed Forces departments at all levels must understand that they are shouldering a very important task. They must be aware of our province's strong point of having eight million people's militiamen, and mobilize and organize such powerful forces well, so that they can actively plunge themselves into the practice of implementing the 10-Year Program, and the Eighth Five-Year Plan, and promoting construction and invigorating Henan.

In conclusion, Hou Zongbin stressed: Party committees at all levels must truly strengthen leadership, and grasp well the plan of putting the work of the people's militia

on a solid basis organizationally, politically, and militarily. We must train and steel our people's militia contingent in practice, so that our people's militia reserve forces will become a crack force which is qualified politically, able to pass the stiffest test militarily and sound and healthy organizationally. They will make contributions to attaining the magnificent objectives of the second stage in our country's modernization drive.

Navy's First Ship-Based Aircraft Unit Inaugurated

HK1501101791 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 9 Jan 91 p 4

[Report by Jiang Rubiao (3068 3067 2871): "PLA's First Ship-Based Helicopter Unit Is Organized"]

[Text] Beijing, 7 Jan (RENMIN RIBAO OVERSEAS EDITION)—This reporter learned the following from naval headquarters today: The first ship-based aircraft unit of the People's Liberation Army [PLA] has been officially incorporated into the Navy's air unit. The birth of this "new child" into the "family" of our Army's air unit marks a shift from shore-based operations to ship-based operations for our Navy's air unit.

Without air control, there can be no sea control. Ship-based aircraft with naval vessels as their bases of operations possess the outstanding advantages of high mobility, large combat radius, and versatility over the sea. At present, the navies in most countries are seeking to install, renovate, or improve ship-based aircraft systems on surface vessels. The types of ship-based aircrafts have also mushroomed, developing from the single small fighter planes, torpedo bomber planes, and reconnaissance planes, to ship-based attack aircraft, fighter planes, electronic reconnaissance planes, anti-submarine aircraft, aerial refuelling aircraft, advanced warning aerial systems, and helicopters. They are capable of performing all kinds of fighting operations on their own and are known as "versatile ship-based aircraft."

Our Army added helicopters to its naval vessels and trained its first generation of ship-based helicopter pilots a few years ago. In December 1988, our ship-based helicopters landed successfully for the first time on ships, putting an end to the failure of fighter planes to land on our battleships. In the last two years, our Navy's ship-based aircraft unit has conducted various types of training including take-off and landing on the ground, landing while the ship is at anchor and while the ship is sailing. It has also successfully completed more than 30 missions. Concerned sources from the naval headquarters said: Even though our Navy's ship-based aircraft unit is still in its infancy, it has opened a new page in the history of China's air unit and demonstrated a new upgrading of the battle and technical functions of the Navy's sea vessels. It will also accumulate invaluable experiences for the growth of the People's Navy's ship-based aircraft unit.

PLA Air Force Steps Up Air Defense Training

*OW1201020491 Beijing XINHUA Domestic Service
in Chinese 1504 GMT 10 Jan 91*

[By reporter Qi Hanxiao (7871 0698 4562) and correspondent Meng Qingbin (1322 1987 1755)]

[Text] Beijing, 10 January (XINHUA)—In the past year, the people's Air Force has vigorously stepped up military training to further enhance the combat effectiveness of its units and to erect a strong protective screen across the blue sky of the motherland.

The people's Air Force upholds the standard of combat effectiveness by training hard both on the ground and in the air. This has enabled the reform of training to produce outstanding results, and the ability to react swiftly and deploy according to the specific air situation has improved markedly. The standard of techniques and tactics has reached a new height. Fighter regiments frequently conduct low-altitude and hedge-hopping flights, combat aerobatics, live firing of aerial and ground targets, and other very difficult training. Sixty-six percent of the pilots are qualified to fly in four types of weather, the highest percentage in many years. The number of Class A fighter regiments increased by 11 over 1989. The percentage of instructors and commanders in flying schools able to fly in three or more types of weather are respectively 82.1 and 85.6, the highest in history. Flight safety in 1990 marked one of the best years in Air Force history. The overall appraisal of live firing by surface-to-air missiles and anti-aircraft units was outstanding. Airborne units carried out military exercises in the most complicated terrain and weather conditions to improve their capability of surviving in field operations, and the best results ever were attained in 17 courses. Radar, signal, logistics, engineer, and maintenance units held contests in their respective fields to improve specialized military skills. These have generally improved combat readiness and training and have reduced mishaps.

Chengdu Region Holds Logistic Work Conference

*HK1501103391 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 11 Jan 91*

[Text] The five-day logistic work conference held by the Chengdu Military Region concluded in Chengdu today.

The conference called on the broad masses of officers and soldiers engaged in logistic work to conscientiously implement and carry out the spirit of the All-Army Logistic Work Conference, develop the fine tradition of working hard and diligently, and industriously building the Army, strengthen logistic management, deepen logistic reform, carry out all types of work in a down-to-earth manner, and strive to improve logistic guarantee capacity.

At the conference, Major General Wang Zhimin, director of the Logistics Department of the Chengdu Military Region, relayed the spirit of the conference and

made specific arrangements for troops under the command of the region to implement the spirit.

(Liu Guoran), deputy director of the Logistics Department, made a report, summing up production and operation carried out by the region during the Seventh Five-Year plan period and making arrangements for production, operation, and environmental protection to be carried out during the Eighth Five-Year plan period.

The conference conferred certificates of merit on advanced units, model workers, outstanding entrepreneurs, and [words indistinct], who had made contributions to production and operation during the Seventh Five-Year plan period. The conference also commended advanced logistic units and individuals at brigade and regiment levels under the command of various military subareas.

All major units submitted their afforestation responsibility contracts covering the Eighth Five-Year plan period to the leaders of the military region.

Chengdu Military Region Commander Zhang Taiheng delivered a speech at the closing session of the conference.

More than 400 representatives from various major units stationed in Yunnan, Guizhou, Sichuan, and Tibet attended.

Economic & Agricultural

Statistical Bureau Communiqué No 1

*OW1501154191 Beijing XINHUA Domestic Service
in Chinese 0511 GMT 15 Jan 91*

[Text] Beijing, 15 Jan (XINHUA)—This is the first year of the Eighth Five-Year Plan. How to further improve our national economy? In its Statistics Communiqué No 1 issued today, the State Statistical Bureau pointed out: While appropriately controlling the total volume of society's demand, it is necessary to strengthen our sense of urgency in accelerating reform and adjustment and make full use of the present good opportunity of a more stabilized economy and society to increase the elements of reform, focusing on the needs of readjusting structure, and raising efficiency. It is necessary to make real progress in easing contradictions of a more profound nature and obtain fresh results in improving the economic environment and rectifying economic order in order to create conditions for sustained, steady, and balanced development of our national economy.

—It is necessary to assess the time and situation, steadily control the total volume of society's demand, and adjust the extent of intervention in a timely manner. At present, in controlling the total volume of demand, it is necessary to carefully avoid this tendency, namely, as a result of our failure to see that the volume of bank loans has increased rapidly, that the money supply has far exceeded what is normally

required for economic growth, and that the inefficient use of money has produced stagnation, we may continue to ease money supply, which may lead to the swelling of the demand of society and affect economic and social stability. In light of this, it is necessary to make special efforts to step up monitoring and forecasting of the fluctuation of financial and banking demands, carefully grasp the information, and take steps to prevent the abnormal rise and fall of the economy triggered by banking and financial factors. In financial policy, it is necessary to adopt strong reform measures to promote production and revenue increases on the one hand and, on the other hand, to seek a way out of our financial difficulties, beginning with the control of deficit and price subsidies. In banking policy, it is necessary to seriously control the total volume of credit and readjust loan structures. Loans for fixed assets must be used primarily to support the renovation and transformation of enterprises. In extending loans, regardless of type, it is necessary to follow the policy of selecting the best recipients to promote the survival of the fittest enterprises.

—It is necessary to make overall plans and actively and steadily promote the pace of restructuring. It is necessary to continue speeding the pace of adjusting the mix of industrial products to meet market demands while paying attention to the needs of consumers at different levels in both urban and rural markets and both domestic and international markets, keeping abreast of the new situation as life becomes more colorful and production moves toward new technology. It is necessary to work out industrial restructuring plans for each of the country's regions in order to make full use of each region's natural, financial, technological, personnel, geographical, and other rich resources. It is necessary to actively raise enterprise readjustment funds to create room for restructuring enterprises and rationalizing production structures. After establishing a social security system, it is necessary to use market mechanisms, which ensure the survival of the fittest, to actively organize enterprise groups and make determined efforts to close down, suspend, merge, or change the production line of those enterprises that produce goods in excess of demand, stockpile unsalable goods for a long period, and suffer from high consumption and heavy losses, in order to promote rational flow of production elements. It is necessary to attend to enterprise management and technological transformation simultaneously and implement in a down-to-earth manner the various measures adopted for the "Year of Quality, Variety, and Efficiency" to raise the quality and efficiency of our enterprises.

—It is necessary to make prudent policy decisions to lose no time in implementing various supplementary reform measures, such as macrocontrol and microflexibility, with a view to improving the structure of our economy and its operational mechanisms. Further efforts should be devoted to establishing and

improving macroregulation and control. For this purpose, first of all, planning, banking, and financial departments should coordinate their work in such a way as to provide a favorable external environment for the orderly operation of our economy and for the improvement of enterprises' economic returns. Second, two changes should be gradually geared up in regulation and control methods. One is to shift the emphasis from direct to indirect regulation and control; the other is to change principal regulation and control methods from administrative measures to economic measures. These changes are aimed at making regulation and control more effective and flexible. Third, the four links in regulation and control procedures, namely consultations, policymaking, implementation, and supervision and monitoring, should dovetail well. In addition, it is necessary to strengthen inspection and supervision to make the work of regulation and control more scientific and to increase its seriousness and sensitivity.

It is also necessary to deepen and perfect microreforms. Here the key task is to invigorate big and medium-sized backbone enterprises. Invigoration of state-owned enterprises should start with the formulation of policies to provide these enterprises with a relaxed environment. Positive efforts should be made to separate government administration from enterprise management, rationalize ownership relations, and deepen reforms in labor and distribution systems. It is imperative to ensure the decisionmaking power of state-owned enterprises regarding production and operations so that they may hone their competitive edge in an equal market environment. Meanwhile, enterprises should be encouraged to pay attention to the inside and enhance their consciousness of improving management so that the quality of enterprises will be raised.

—Effective measures should be taken to further stabilize agricultural production. It is imperative to properly guide the people so that they will have a correct understanding of the agricultural situation. Although we achieved a bumper harvest in 1990, the scissor differential between the prices of industrial and agricultural products has continued to grow, and the problem of insufficient capacity for sustained agricultural development remains unsolved. This, coupled with the serious question of slow circulation of agricultural products, has resulted in the fact that problems limiting the stable development of agriculture are still far from being resolved. For this reason, we must take it as a long-term strategic task to continue to beef up efforts in agriculture, grasp it unremittingly, earnestly carry out the guidelines of the documents on strengthening agriculture issued by the party Central Committee and the State Council, and proceed step by step to establish an economic operational mechanism conducive to the stable development of agriculture for a long time to come.

XINHUA Examines Communique

OW1401203591 Beijing XINHUA in English
1446 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—The No. 1 statistical report released today by the State Statistics Bureau predicted that the economic situation in China will continue to develop favorably in 1991, but the threat of inflation will increase, affecting economic stability.

Regarding the state of the economy in 1990, the report said that thanks to measures to invigorate the economy, many previously prevalent economic contradictions have been eased and the economy as a whole began to pick up.

According to the report, the gross national product was estimated at 1,740 billion yuan, up by 4.4 percent and the nation's income was estimated at 1,430 billion yuan, up by 3.8 percent from the previous year. The differential rate between the aggregate supply and demand was 4.2 percent, basically balanced.

Agriculture reported a bumper harvest and industrial production began to recover. The situation in which factories have shut-down and workers have to wait for work, has been eased to a great extent.

Social demand also picked up last year. It is estimated that the investment in fixed assets will reach about 450 billion yuan, up by 4.2 percent, whereas the total payroll of the workers is expected to reach 296 billion yuan, up 3 percent from the previous year. The real increase was estimated at 11.7 percent.

Last year's per capita income of urban residents is estimated at 1,360 yuan, an increase of 6.6 percent in real terms over the previous year. The per capita net income of peasants was estimated at 630 yuan, a one percent increase in real terms from 1989. Peasant incomes dropped in some areas.

Foreign trade was favorable in 1990. The export volume was valued at 62.07 billion U.S. dollars, while the value of imports reached 9.36 billion U.S. dollars. The volume of trade increased 3.4 percent over last year, according to the statistics released by the customs department.

The number of new projects using foreign investment receiving approval between January and November last year reached 6,318, with the agreed amount of foreign investment reaching 10.57 billion U.S. dollars and the actual amount used reaching 8.81 billion U.S. dollars.

International tourism has also recovered last year, with the total number of tourists coming to China reaching 29 million, 18.4 more than the previous year. Foreign exchange earnings from tourism were estimated at 2.1 billion U.S. dollars, marking a 13 percent increase.

However, according to the report, development was not balanced. The foundation for the economic upturn was fragile, as some fundamental economic problems have not yet been solved: the improved economic situation is

still being threatened by huge stockpiles of finished products, low economic efficiency, aggravated financial difficulties, and the potential new bout of inflation.

The Statistics Bureau suggested that proper countermeasures, including pushing forward reforms and tighter control over monetary demand, would be employed in order to avoid a financially induced down-swing in the economy.

Minister Discusses Deepening Structural Reform

HK1501053591 Beijing LIAOWANG in Chinese
No 51, 17 Dec 90 pp 8-10

[Report by staff correspondent: "Zhang Yanning, minister of State Commission for Restructuring Economy, on Assumptions for Deepening Economic Structural Reform in 1991"—first paragraph is abstract]

[Text] In next year's economic structural reform, the stress will be laid on the enterprise reform with enhancing the vitality of large and medium-sized enterprises owned by the whole people as the central link. Meanwhile, reforms in the fields of market circulation and macroeconomic management will be carried out in depth, and positive efforts will be made to explore an economic operation mechanism capable of combining the planned economy with market regulation to solve the main problems in current economic life and promote the structural readjustment and the sustained, steady, and harmonious development of the national economy.

The year 1991 is the first year of the Eighth Five-Year Plan of our national economy. How do we further deepen the economic structural reform in this year? What are the main tasks? Recently, this reporter interviewed Zhang Yanning, minister of the State Commission for Restructuring Economy, on questions which concern most people.

The main tasks for next year's enterprise reform are to perfect the contracted management responsibility system and the system of plant director assuming full responsibilities, to continue to promote enterprise merger and develop enterprise groups, and to explore and establish a mechanism for promoting technological progress of enterprises, so that the enterprises may make a new step forward in readjusting structure and increasing economic returns.

Reporter: What are the main tasks for next year's enterprise reform?

Zhang Yanning: Since the Third Plenary Session of the 11th CPC Central Committee, an objective that enterprise reform has been pursuing is to gradually establish an operation mechanism under the condition of the planned commodity economy so that the enterprises can carry out independent management, assume full responsibilities for their profits and losses, develop by their own efforts, and restrain themselves. The enterprise

reform next year must continue to develop toward this objective. To put it concretely, it is necessary to mainly grasp the following work:

1. To Continue To Implement and Perfect the Contracted Management Responsibility System, Conscientiously Do a Good Job in Linking Up the Two Rounds of Contracts

The practice of reform proves that the path of contracted management followed by China's enterprises is correct. Next year, most enterprises will start carrying out the second round of contracts. To successfully carry them out, it is necessary to turn the process into one of perfecting the contract system in accordance with the demands of the "Contract Regulations" and the "Proposals for Deepening Enterprise Reform and Strengthening Enterprise Management in the Course of Economic Improvement and Rectification" issued by the State Council and the principle of "making small readjustments while primarily maintaining stability." When setting the base, it is necessary to reflect the principle of ensuring the overall growth and strengthening lateral comparison within the same trade to encourage the advanced, encourage the less advanced, and promote the readjustment of the industrial structure. It is especially necessary to handle well the relations between ensuring the growth of financial revenue and the increase of staying power of the enterprises. It is necessary to encourage the enterprises to share the difficulties of the state and make more contributions, but it is also necessary to pay attention to the long-term development of enterprises. The system of contract targets must be capable of reflecting the main achievements of enterprises in production and management, but the targets should not cover too many fields. When selecting, checking on, and giving awards or punishments to managers, it is necessary to adhere to the principle of selecting the outstanding persons and pay great attention to assessing their proficiency in management and listening to the opinions of the workers. At the same time, it is necessary to work out some assessment and award methods. Regarding the use of the profits retained by the enterprises, there must be more definite regulations and methods on the proportion and use of the production development funds, welfare funds, and ward funds. It is necessary to further perfect the method of linking work to efficiency and linking income to economic returns. More definite regulations on the responsibility of contract distributors must be worked out in accordance with the "Enterprise Law" and the "Contract Regulations," so the lawful rights and interests of the enterprises can be guaranteed. On the question of democratic management, there must be more perfect implementation methods to ensure the democratic rights of the workers and enhance their sense of responsibility as masters of their own house.

2. To Continue To Realize the Right of Independent Production and Management of Enterprises and Implement and Perfect the System of Plant Director Assuming Full Responsibilities

To effectively realize the right of independent production and management in the enterprises in accordance

with the "Enterprise Law" is an important task for deepening enterprise reform in the current stage. At present, some areas are practicing regional blockades in product purchase and marketing and raw materials supply and carrying out unnecessary administrative interferences in the normal production and management of enterprises. Some departments have withdrawn some rights that were handed over to the enterprises in the past under all sorts of pretexts or have even forced the enterprises to set up corresponding organizations. All these practices must be corrected because they have violated the right of independent operation of the enterprises. We must implement the decisions of the party Central Committee and the State Council on rectifying the wrong practices of indiscriminately apportioning expenses, imposing fines, and collecting charges; take effective measures to reduce the burdens of enterprises; and change the situation of excessive examinations and public appraisals. The government departments concerned must frequently carry out supervision and examination on how the right of independent operation is realized in the enterprises. The enterprises must be good at protecting their legal rights and interests by means of law. At the same time, they must conscientiously restrain their operations, perform their duties according to the law, and implement state policies.

The practice of the system of the plant director assuming full responsibilities in the enterprises is an objective demand of socialized mass production. We must continue to adopt this system in accordance with the "Enterprise Law" and make it more perfect in the course of implementation. The rights given to the plant directors by the "Enterprise Law" must be effectively protected. Under the current situation when many enterprises are faced with difficulties in production and management, it is all the more necessary to emphasize that the party and administrative leaders of enterprises should stress party spirit, take the overall situation into consideration, develop good work styles, gain a clear understanding of their duties and responsibilities, and support and cooperate with each other so they can make common efforts to run the socialist enterprises well.

3. To Promote Flow of Major Production Elements and Promote Readjustment of the Economic Structure

At present, a main problem restricting economic development is low economic returns. An important reason is the irrational economic structure. To promote the rational flow of major production elements is an important and effective measure for readjusting and optimizing the economic structure. Over the past few years, various areas have made useful explorations on promoting the flow of major production elements. For example, the flow of equipment and personnel, the selling of enterprises at auction, the contracting of one enterprise by another, the leasing of enterprises, the merger of enterprises, the lateral association of enterprises, and the shareholding system have played great roles in promoting the structural readjustment. Next

year, it will be necessary to further promote the rational flow of major production elements under leadership and in a planned way.

At present, because the market is weak, quite a few enterprises have encountered great difficulties because of the irrational product mix. We must use this opportunity to help them find a way out, such as promoting their merger on a compensable basis or changing the asset's ownership of state-owned enterprises without compensation to maintain social stability, optimize the organizational structure of enterprises, and increase the overall economic returns.

The flow of major production elements must conform to the industrial policies of the state and must be conducive to bringing local advantages into play. We must combine these two aspects in an organic way so the major production elements may flow toward superior industries, products, and enterprises. It is necessary to develop the advantages and special features of various areas, but at the same time, it is also necessary to prevent the closed-type structural readjustment in a region and the trend of structural assimilation among regions.

4. To Promote the Healthy Development of Enterprise Groups

To organize and develop enterprise groups is conducive to promoting the rational flow of major production elements and promoting structural readjustment. It is conducive to combining scientific research with production, marketing, and service and increasing the ability to deal with market changes and renew technology. It is conducive to giving play to the superiority of groups and increase their competitiveness in the international market. It is also conducive to increasing the degree of centralization in enterprises and creating conditions for strengthening macroeconomic regulation and control. At present, some achievements have already been made in economic improvement and rectification, which provide favorable conditions for the organization and development of enterprise groups. We must use this opportunity to offer positive guidance and push the development of enterprise groups to a new level under unified planning.

To perfect and improve the existing enterprise groups, the main task is to adopt various methods in accordance with the demands of the industrial policies of the state to strengthen the cores of enterprise groups, develop closely related enterprises, strengthen the links between them, and enhance the strength of the group companies. To develop transregional and transdepartmental enterprise groups, the methods of forming partnerships, contracting, and leasing can be adopted. If conditions allow, the group companies can establish their own financial companies so they can have more power in import and export and be given more decisionmaking power of higher level economic entities under the state planning or the planning of relevant administrative departments. If conditions do not allow, they may continue to operate in the form of enterprise association. On the basis of

promoting bilateral economic ties, all localities should concentrate their strength on developing a number of key enterprise groups in light of their specific situations so they can become the main force in economic construction and the "national teams" in the international market.

5. To Explore and Establish a Mechanism for Promoting Technological Transformation and Technological Progress of Enterprises

In China, the fixed assets of the enterprises owned by the whole people have reached more than 100 million yuan. This is a profound capital basis for building socialism and the most realistic productive force. We must give full play to the roles of these assets and, in accordance with the national industrial policies, push the technological transformation in large and medium state-owned enterprises forward to a new stage. This is not only "good medicine" for stimulating the market and developing production at present, but also an important channel to improve the equipment of enterprises and increase their technological level and competitiveness.

It is necessary to adopt methods to encourage large and medium-sized state-owned enterprises to promote production in accordance with the demands of the industrial policies, such as allowing them to retain more profits when production is increased and encouraging them to carry out technological transformation, so their ability of self-transformation and self-development can be increased. Decisions on technological transformation projects aimed at maintaining simple reproduction should be made by the enterprises themselves. Ordinary enterprises must try to collect funds through all possible channels, such as retaining profits, obtaining loans, depreciation, and developing new products to carry out technological transformation. The old enterprises, which have comparatively heavier tasks for transformation, may retain more profits through contracting and appropriately increase the depreciation rate of their fixed assets. At the same time, the depreciation of the fixed assets of those enterprises producing high-quality, high-technology, or export products can be accelerated and more funds can be provided to them for developing new products.

Next year, in both reforms of the macroeconomic management system and market circulation, efforts should be made around the center of enlivening large and medium-sized enterprises owned by the whole people and promoting the steady development of the national economy.

Reporter: At present, because of the weak market and insufficient ultimate demand, there has been a slow regrowth of production in large and medium-sized state-owned enterprises. More products have been kept in stock and losses are increasing. To change this situation and enable those enterprises to extricate themselves

from the difficult position, apart from deepening enterprise reform and strengthening their internal management, what should they do in the field of macroeconomic management?

Zhang Yanning: The main tasks for next year's reform in the field of macroeconomic management are:

1) To steadily promote price reform and further enliven circulation in both town and country.

On the premise of stabilizing the market, it is necessary to adopt effective measures to gradually harmonize the price parities between some industrial and agricultural products and some raw materials processed products and gradually establish a price mechanism. It is necessary to readjust the double-track system of the capital goods step by step and appropriately increase the planned prices of some capital goods in accordance with the unified arrangement of the state and gradually reduce the price differences between both tracks.

It is necessary to make continuous efforts to reestablish the circulation order, readjust the link of wholesale, and gradually establish an effective market circulation and supervision system and a law and regulations system so the achievements of economic improvement and rectification can be further consolidated. The correct measures that have been proved to be conducive to enlivening circulation in practice should be continued and gradually perfected.

It is necessary to strengthen the building of a socialist market system and deepen reforms of the commercial, materials, and supply and marketing systems. It is necessary to vigorously promote the lateral economic ties between the industrial, agricultural, commercial, and materials departments in the sphere of market circulation and gradually establish a number of transdepartmental and transregional large-scale wholesale groups so the strength of the collective can be brought into play and the situation of regional segmentation can be changed. It is necessary to continue to deepen reform of the supply and marketing system, perfect the service system for the rural economy, purchase more agricultural and sideline products while selling more industrial products in the countryside, and make the rural markets more prosperous.

It is necessary to promote reform of the grain and nonstaple food purchase and marketing system in accordance with the principle of "stabilizing purchases, reducing marketing, and adhering to the contract system" so new progress can be made in this respect.

2. To further reform the macroeconomic management system.

Next year, on the premise of strengthening overall control, it is necessary to take more indirect measures, such as financial, tax, and monetary measures, to regulate and control economic operations so that the role of the industrial policies in the planned management can be

brought into full play and macroeconomic management can be improved to suit the needs of enlivening economy and opening up new markets.

It is necessary to improve the management methods of mandatory planning and guidance planning. Both mandatory planning and guidance planning must conform with the law of value and suit various economic policies. Positive efforts must be made to explore concrete forms for realizing the combination of the planned economy and market regulation in the main economic spheres and major links of social reproduction.

It is necessary to reform the financial and tax collecting systems and promote readjustment of the industrial structure in accordance with the industrial policies and in light of the different tax rates designed for different investments. It is necessary to simplify tax categories. It is also necessary to implement the method of separating tax levies, tax management, and tax inspection in an all-around way and rely on the masses in establishing a network of assisting and protecting tax levies to reduce tax evasion cases.

It is necessary to give play to the role of macroeconomic regulation and control of the central bank. On the premise of controlling the total credit, it is necessary to use basic money reserves, the interest rate, and other means to regulate the money supply and gradually reduce the control of credit limits. It is necessary to strengthen the examination and supervision of professional banks and other financial institutions and establish and perfect the banks' internal operation mechanism.

3. To deepen reform of the labor and wage system and the social insurance system.

While deepening reform of the labor and wage system, it is necessary to expedite the reform of the insurance structure, including the systems concerning the aged and the unemployed and the medical insurance system. It is necessary to promote the rational allocation and flow of labor forces and the readjustment of the industrial structure and the enterprise organizational structure so that we can ensure stability in society.

It is necessary to make use of the opportunity of the new round of the contracted management responsibility system to strengthen basic labor management work in enterprises, optimize labor combinations, and strengthen labor discipline. The surplus personnel can be redistributed within the enterprises according to their own needs or be used to develop a diversified economy. They can also be transferred to other enterprises or trades through various channels so that they can continue to be employed.

It is necessary to make continuous efforts to perfect and develop the labor market, establish and perfect job presentation organizations, and carry out professional

and pre-employment training in an extensive way so the quality and job-selecting ability of employees can be increased.

It is necessary to gradually reform the enterprises' wage decision mechanism and improve the method of linking work to economic returns. It is necessary to actively and steadily implement the "wage system based on skills" and determine the wage income of an employee according to his technological skill, responsibility, labor intensity, working conditions and environment, and personal contributions. It is necessary to adopt measures to encourage the workers to work on difficult posts.

It is necessary to improve the wage management structure and gradually establish a structure based on "the state macroeconomic regulation and control, classified management, and independent distribution of enterprises." It is necessary to reform the social insurance management structure and the fundraising mechanism and extend the coverage of the retirement pension system. Moreover, it is also necessary to carry out further experiments on various reforms next year, including the reform to make tax and profits flow separately, the experiment on the shareholding and tax contracting system, and the establishment of the stock markets.

Invigoration of Market, Investments Urged

*HK1401100191 Beijing GUANGMING RIBAO
in Chinese 22 Dec 90 p 3*

[Article by Yang Peixin (2799 1014 2450): "A Line of Thinking on Deepening Economic Structural Reform, With Focus on Invigoration of the Market and Investment"]

[Text] Have efforts toward economic improvement and rectification achieved their goals? It should be said that they have succeeded in checking inflation and curbing monetary circulation. However, other objectives have not been completed, such as the lowering of the rate of retail price increase, wiping out of budgetary deficits, raising of economic results, readjustment of industrial structure, and creation of a macroeconomic regulatory system. In the future, the focus should be shifted to the invigoration of the market, raising of investments, and reform of the investment structure in order to boost the national economy.

Invigorate the Market in Order To Invigorate the Economy

Where should the starting point be in the endeavour to invigorate the economy? In 1979, large- and medium-scale enterprises were the recipients of several promotional loans, but they did not take off as a result of the loans. The principal reason for the failure was: A commodity economy needs to sell its commodities so that the enterprises will have the money to pay wages and buy raw materials, and carry on the cycle of reproduction. However, big enterprises which received large loans could not sell their goods and could only store them in

the warehouses, or sell them on credit. Unable to collect money, the enterprises had to continue to rely on loans. Therefore, the starting point in an economy should be the raising of the people's purchasing power in order to sell goods. Once the products are sold, light industry will have the money to purchase equipment and raw materials from heavy industry, and the heavy industry, in turn, will have the money to renovate its installations. This is the only way to invigorate the enterprises at every level and stimulate the national economy comprehensively.

How can the people's purchasing power be increased? Relying solely on raising the wages of employees and workers in order to boost purchasing power is not possible all at once. Hence, the only hope lies in the purchasing power of the 900-million strong peasants. The agricultural and sideline products of peasants are growing, and in addition, they have grains, cotton, edible oil, wool, and others. As long as the state purchases the agricultural and sideline products, the money which goes into the hands of the peasants translates into their purchasing power. The problem now is that the supply and marketing cooperatives have no money and depend entirely on loans from agricultural banks. Agricultural banks depend on loans from people's banks. If the loans are insufficient, it would affect purchasing as well as the initiative of the peasants to expand reproduction. On the other hand, banks are concerned that too much investment in the countryside would lead to inflation. In fact, for every 1 yuan invested in the countryside, the object purchased and resold after reprocessing could generate 3 to 5 yuan and not lead to inflation. Hence, investment should be encouraged. Agricultural loans should not be restricted by credit plans. Purchasing should not only be ensured but protective prices should be respected. As long as the protective prices are met, then everything should be purchased. The peasants could then be able to develop production without any constraints. Loans intended for the purchase of agricultural and sideline products should be extended at preferential rates. It should not follow that the fewer currency on circulation, the better; rather, an adequate amount of circulation should be maintained. If too much money has been withdrawn from circulation, more trade credits should be extended in order to release more currency through the purchase of agricultural and sideline products and industrial items. It is necessary to regulate with flexibility and not be restricted by credit plans. It appears that the sluggish market for industrial goods will persist for a while. By choosing to purchase only the best industrial products, the materials departments and foreign trade units have ensured that outstanding enterprises producing noted, distinctive, and excellent items will not have to stop or cut production. At present, the interest rates of commercial loans are too high. The banks' interest rates for industrial and commercial loans should go down. With the capital profit rate of enterprises at only eight percent, and the banks' interest rates for capital credit around 18 percent, enterprises dare not borrow money. It now appears that a slight lowering of

interest rates will not have much effect on the banks' revenues. The interest rates for savings may be raised a bit higher, but interest rates for industrial, commercial, foreign trade, and capital credits should be brought down to below eight percent in order to benefit the invigoration of the enterprises and the market.

Where will the banks' funds for the invigoration of enterprises and markets come from? They cannot depend on the printing of more money, and should stick to the policy of fiscal and monetary austerity in order to prevent another round of inflation. Banks should rely on deposits to increase their credit funds and not on issuance of currency in order to make up the difference between deposits and credits. At present, the increase in credits is made possible principally by a rise in capital funds derived from index-linked deposits. Some people have suggested that index-linked deposits be abolished in order to ease the market's sluggishness. They hold that the index-linked deposits benefit the people, but not the state, and call for lower interest rates. This is an extremely dangerous proposal. Right now, the interest for one year's fixed bank deposit is expected to be lower than this year's price increases. All countries in the world add three percent to the rate of price increases to derive the real interest rate. Hence, it is necessary not to lower the deposit rates, while the index-linked rate should be calculated seriously and not abolished. If the price increases are higher than interest rates, panic buying could ensue. It seems that the last bid to stop inflation is to introduce an index-linked deposit. In the next few years, we cannot depend on domestic loans, foreign credits, and issuance of currency to generate capital funds. Index-linked deposit will become the primary source of our capital funding.

A dual austerity policy should be maintained in fiscal affairs. During a decade of reform, fiscal revenues have risen from 100 billion yuan to more than 300 billion yuan. As the enterprises become heavily overburdened, they also lost their vitality. The additional money we received was not used to make investments nor to engage in key construction. Capital investment over the decade was kept at 35 billion yuan, while the 20-billion-yuan energy and transportation fund launched not much later was not used on energy and transportation matters. Therefore, the deficits were not caused by an expansion in construction, but by oversized organs of political power which wasted state resources. It now appears that the reduction of fiscal deficits would require streamlining of the bureaucracy, transferring the personnel of some non-productive departments to productive ones, and using the money saved to accelerate economic construction.

Invigorate Investments in Order To Invigorate Production

Unsold industrial goods have an even worst effect on the heavy industry. At present, it is necessary to increase investments and search for a new policy for heavy industrial production in order to invigorate the heavy

industry. However, owing to the successive years of budgetary deficits and this year's expected peak schedule for debt repayment, a readjustment of the industrial structure would require more industries in energy, transportation, and raw materials. What measures should be adopted to achieve this in the midst of an economic readjustment? There appears to be only two possibilities: One is for the planning commission to increase the number of projects, the finance department to allocate the fund, and the banks to extend more capital loans. The potential risks here are great. Given the fiscal deficits, the banks cannot issue more money for fear of instigating a new round of inflation. Two is to encourage enterprises to engage in technological innovations, reconstructions, expansions, and new constructions. The more projects there are, the better. Technological innovations are beneficial to the readjustment of industrial structure. If everyone is engaged in renovations, the equipment and spare parts needed would be substantial. At the same time, it is necessary to consider allowing some enterprises to engage in reconstruction, expansion, and new construction. To invigorate large- and medium-sized enterprises, there are three ways: The first is a generous infusion of capital which experience has shown to be not too successful. The second is to continue to have commerce play a role as reservoir, but there is a problem here: Loan interest rates are too high. Now, the third way is investment which can bear results faster. Once a number of major projects are put into operation, they will immediately generate more employment, consumption, and orders to heavy industries. Thus, the heavy industries will be similarly stimulated. It is now necessary to consider taking a good grasp of this link—investments.

Investments have two features which bring about two kinds of results. One is allocation of funds by the finance departments and issuance of money by the banks. Some of the funds are used to build new construction or engage in redundant reprocessing industries which do not increase the supply of commodities; instead, they increase the circulation of currency. This kind of investment boom is the source of inflation and should be resolutely kept in check. Another type is to let localities and enterprises become the main investment bodies and enter the field of key construction in the form of joint investments and raising of funds. By letting the localities and enterprises take on pivotal roles and shoulder heavier responsibilities, they can take on the gigantic task of nation-building and spur on the entire national economy.

This could start a trend where enterprises and localities would engage in construction of key projects and social infrastructural installations with their own capital. In turn, it will lead to an invigoration of investments and re-rationalization of the various relations involved in an expanded reproduction. At the same time, it could prevent inflation from recurring, resolve the current sluggishness of the market and accelerate the readjustment of the industrial structure. Allowing big enterprises

to operate other firms is a new breakthrough in the reform of entrepreneurial structures and of investment structures. It is a means to boost morale and strengthen cohesiveness.

The Reform of Enterprises Is the Focus of the Deepening of Reforms

What is the focus of the deepening of reforms? The focus should now be placed on reform of the entrepreneurial structure. This consists primarily of two features: One is to continue perfecting the system of contracted operations and responsibilities by enterprises; two is the reform of the investment structure. The reform of the enterprises should be regarded as the fundamental impetus to invigorate the market, production, and economy.

In the 10 years of reform, the enterprises have scored big gains in implementing the contracted responsibility system and they and localities have started to become the primary investment bodies. However, energy, raw material industry, and social infrastructural installations are still under the control of various departments in the central government. Meanwhile, enterprises have encountered serious difficulties at the moment: They face high taxes, high interest rates, low obsolescence allowance, and low profit retention. Right now, enterprises cannot cover their deficits even if they use up their old capital; they are indeed in dire straits. The macroeconomic conditions facing the enterprises are very poor: On one hand, rising prices, especially the rapidly rising prices of raw materials, coupled by prohibition from raising the prices of their products have caused enterprises to incur losses. On the other hand, the enterprises used to have to turn over a fixed amount of their profits to the finance departments and keep whatever remaining sum for themselves. Now, with more types of taxes to be paid, higher taxation rates, and launching of a budget regulatory fund, the profits retained by enterprises have shrank substantially, causing them to lose the capability for self-accumulation, self-reform, and self-development. Hence, it is necessary to perfect the system of contracted responsibility and operations by enterprises and improve macroeconomic conditions. The amount of turnovers to the finance departments should be limited, otherwise, the enterprises cannot continue operation. For instance, energy and transportation firms should not collect energy and transportation funds as well as budget regulatory funds because these monies were intended all the while for investment on energy and transportation. Regarding obsolescence allowance, this was originally quite low, but now, an additional 25 percent has been levied (15 percent for energy and transportation funds, 10 percent for budget regulatory funds). This is very unfair. If this goes on, how many years would it take for the enterprises to upgrade their facilities?

Another thing is to do a good job in the reform of the investment structure. Energy, transportation, and raw materials are under the control of various departments

of the central government and come under state budget and investments. In effect, the amount allotted for investments here is around 35 billion yuan annually, hardly satisfying the needs for key construction. In the past, foreign credits and World Bank loans were also included in the budget and treated as state investments. Now, there are also problems in this area. Therefore, it is necessary to bring in the enterprises and localities in order to transform the investment structure. Two initiatives are better than a single one.

I personally hold that reform of the investment structure should ensure that the expansion of reproduction will be spearheaded by the enterprises and that social infrastructural installations will be led by the localities, with the different departments of the central government taking charge of regulation, coordination, assistance, support and promotion, and not monopolizing the key constructions. We should contain the scope of capital construction, but the target should be directed at halls and guest houses and redundant reprocessing industries, not productive construction. Technological innovations, reconstructions, expansions, and new constructions should not be restricted but should be encouraged.

At present, special consideration should be given to reform of the investment structure and technological innovation in enterprises. Efforts in these areas should not stop even during the period of economic improvement and rectification. The reason is: New products should be developed and production lines opened in order to readjust the product mix, increase production of marketable goods, and eliminate outdated, unmarketable products. If technological innovation is not allowed and no credit extended by the state, how can the readjustment of product mix proceed smoothly? Therefore, it is extremely necessary at the moment to relax the authorities of enterprises on investment matters and to allow anything as long as it conforms with the general directives on investments.

Invigoration of investments is favorable to the invigoration of the market and of the entire national economy. The current task is to invigorate the market and investments, focus on the deepening of investments reform, boost production, and move out as soon as possible from the dilemma characterized by market sluggishness, sliding industrial production, and partial unemployment so that the national economy can get on the path of sustained, stable, and coordinated development.

Article Reviews Enterprise Contract Systems

*HK1501094391 Beijing RENMIN RIBAO in Chinese
4 Jan 91 p 5*

[Article by Song Tingming (1345 1694 2494): "Promote the Theory and Practice of Contract Systems: Also Commenting on Professor Yang Peixin's New Book *Contract Systems—the Only Way for Enterprises To Attain Wealth*"]

[Text] The system of contracted responsibilities on the household basis with remuneration linked to output in rural areas and the contracted managerial responsibility system in cities are the two great creations of the Chinese people over the past 10 years of reform in the urban and rural economic structures. They have greatly promoted the vigorous development of the socialist commodity economy in cities and rural areas, effected enormous and profound changes in our country's rural outlook and the outlook of enterprises, and demonstrated the actual superiority and great vitality of contract systems. At present, throughout the country 98 percent of peasant households and over 90 percent of state industrial and business enterprises have carried out various forms of contracted managerial responsibility systems; and contract systems have become a form of production and managerial responsibility system generally practiced in our country's urban and rural public-owned economy. Since last year, the CPC Central Committee and the State Council have clearly reiterated many times that the system of contracted responsibilities on the household basis with remuneration linked to output in rural areas and the contracted managerial responsibility system in cities must be continued without change. This is not only a long-lasting assurance for vast numbers of peasants and enterprises, but has an important and far-reaching influence on our country's economic development in the future. Now, the first round of contracts made in 1987 by the majority of enterprises throughout the country have expired, and all localities are stepping up the signing of the second round. They have an urgent need to seriously sum up the experience of the practice in the first round of contracts and strengthen the specific guidance for the second round. Recently, the China Economic Publishing House published Professor Yang Peixin's new book *Contract Systems—the Only Way for Enterprises to Attain Wealth*. The book contains comprehensive and systematic analyses and observations of enterprise contract systems by integrating theory and practice. This is definitely a great help for vast numbers of enterprises that are ready for making contracts for the second time.

Professor Yang Peixin has long been doing theoretical and policy research in state comprehensive economy departments; and ever since the reform and opening up, he has been a research fellow of the State Council Economic Development Research Center. He is one of the celebrated economists that pioneered research on the theories and practice of contract systems. In early 1987, after conducting in-depth investigations and research on the Shoudu [Capital] Iron and Steel Company, and 11 large and medium-sized enterprises in Tianjin Municipality, he directly submitted a proposal to the CPC Central Committee and the State Council on extensively carrying out contract systems in enterprises throughout the country. In so doing, he demonstrated his precious theoretical courage and truth-seeking spirit under the historical conditions of that time. Over the years, seriously bearing in mind reality, he has carried out large numbers of investigations and research on enterprise contract systems and written many theoretical articles

and proposals regarding policy, expressing his peculiar opinions. They have attracted a strong response from the economic theoretical circles and from departments actually engaged in work, and won the great attention of leading cadres of the CPC Central Committee. The book *Contract Systems* is the product of his devoted research over the years. In this book, Professor Yang Peixin made thoroughgoing and systematic discussions on the background, basic forms, theoretical basis, and improvement measures of enterprise contract systems, and responded to the misunderstanding, reproach, and blame on enterprise contract systems by drawing attention to large amounts of detailed and factual material and facts. The publication and printing of the book, no doubt, has important theoretic values and real guiding significance as to how we should continue, strengthen, improve, and develop enterprise contract systems.

China is a vast developing country in the initial stage of socialism. Owing to the differences in historical reasons and natural conditions and others, economic technological development among different localities, departments, and enterprises is extremely unbalanced. This, coupled with several factors such as the varied flow of productive factors and the unreasonable pricing structure, produces totally different results in different localities, departments, and enterprises although the investment in them are the same, and there is also a great difference in the profits earned by different enterprises. Therefore, it is impossible for the state to immediately use uniform and streamlined enterprise income tax rates to standardize different enterprises that can be totally different from one another. The fundamental reason contract systems can be widely carried out throughout the country is that it complies with the law of imbalance in our country's economic technological development, and is widely suitable. First, it is both suited to different production sectors. In other words, it is suited to agriculture, industry, and business; and to primary, secondary, and tertiary industries. Second, it is suited to different modes of ownership systems. In other words, it is suited not only to economic modes of public ownership such as the system of ownership by the people and the system of collective ownership, but also to nonpublic-ownership economic modes such as the individual economy and the private economy. Third, it is suited to different development levels of productivity and economic scales. In other words, it is suited not only to highly organically-formed [you ji gou cheng gao 2589 2623 2845 2052 7559], high money- and technology-intensive, modern large enterprises, but also to lowly organically-formed [you ji gou cheng di 2589 2623 2845 2052 0144], labor-intensive medium-sized and small enterprises. Fourth, it is suited to different operational and managerial levels. In other words, it is suited not only to enterprises with high operational and managerial levels, but also to those with general operational and managerial levels, and which bring little profits or loss money. Fifth, it is suited to localities where their economic development levels are different. In other words, it is suited not only to the coastal areas in the east, but

also to the inland areas in the central part whose economy is undeveloped, and the remote backward areas in the west. So far, no other enterprise managerial responsibility mode can replace contract systems in their wide suitability. Therefore, it is an objective need to generally carry out contract systems because their functions and effects cannot be replaced by other modes. Contract systems are in essence a mode of the managerial responsibility mode on the precondition of sticking to socialist public ownership, by which the owner and the producer or operator in the public-owned economy enter into a contract in accordance with legal procedures to clearly determine their responsibilities, powers, and profits so that there will be separation between government administration and enterprise management and between ownership and the operational right, and that a public-owned unit can be run by the producer himself on a contract basis. We can see from this that the economic basis of contract systems are socialist public ownership, and their theoretical basis are the theory of socialist commodity economy and the theory of the separation between ownership and the operational right. Their operational mechanism is the integration of the planned economy and market regulation. Contracted responsibilities reflect the demand of state plans, while in order to carry out the responsibilities it is necessary to bring into full play market regulation. Their major issue is to integrate responsibilities, powers, and profits; ensure the self-operational powers of enterprises; institute the production contracted managerial responsibility system, and gradually develop commodity production operational units that stimulate and regulate the mechanism; and enable enterprises to be really self-operating, be responsible for their own losses and profits, develop themselves, and regulate themselves. Contract systems have added new vitality to enterprises, and this is another reason contract systems have been widely promoted.

The "Eighth Five-Year Plan" is the crucial period for our country's reform and development. Strengthening the vitality of enterprises, especially large and medium-sized people-owned key enterprises, is always the central link in the overall reform in the economic structure whose key points are cities. At present, the key to stabilizing the economy is to stabilize enterprises and the key to stabilizing the economy is to stabilize contract systems. As all other things, contract systems have to be continuously developed and improved in the process of practice. In the new round of enterprise contracting, it is necessary to further promote what is beneficial and remove what is harmful on the basis of summing up the lesson in the first round of contracting, and scientifically and reasonably determine the base figures for contracting and the proportions to be turned over to the government, clarify the object to be contracted on, improve the content of contracts, and appropriately handle the relations among the state, enterprises, and staff and workers, and more effectively integrate the completion of the task of turning over taxes, improving

enterprises' technological transformation and strengthening enterprises' internal management; guard against and overcome the short-term behavior; bring into full play the initiative of enterprises' cadres, staff, and workers, so that enterprise contracted systems will bring more returns during the "Eighth Five-Year Plan."

CHINA DAILY Reports Decrease in Inflation

HK1501031291 Beijing CHINA DAILY in English
15 Jan 91 p 1

[Text] China's inflation rate was a mere 2 percent last year, a marked decrease from the 17 percent in 1989, a national conference on price management has been told.

Director Luo Zhiling of the State Administration of Commodity Prices attributed the "price stability" to the country's improved overall economic situation as reflected by its record grain harvest, abundant supplies of retail goods and production materials, and strengthened market management. All are factors which contribute to keeping prices down.

However, some economists said that the lowest price index rise in the past decade owed a great deal to the austerity programme which led to a record stockpiling of industrial products.

Luo said that while the inflation rate will be strictly controlled, the disarray of the country's price system will be redressed at "an active but cautious pace" during 1991 but he did not reveal to what extent price hikes will be allowed.

The Commodity Price Administration has urged large and medium-sized cities to keep their preferential subsidy for vegetable farmers to ensure a steady supply to urban consumers.

However, some economists have called for reducing the grain subsidies, selling durable goods on credit, lowering the prices of some overstocked products, and phasing out the "double track" price system.

Li Guixian Addresses Bank Presidents

OW1501024091 Beijing XINHUA Domestic Service
in Chinese 1331 GMT 14 Jan 91

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 14 Jan (XINHUA)—Li Guixian, state councillor and governor of the People's Bank of China, emphasized here that, in 1991 banking work, it is necessary to continue to adhere to the monetary credit principle of "controlling total amount, readjusting structure, improving management, and raising efficiency," and put the stress of work on optimizing the loan structure, invigorating available funds, keeping currency stability, and supporting moderate economic growth.

Li Guixian addressed a national meeting of presidents of bank branches and general managers of insurance company branches today. He said: In the last year, banking departments have paid more attention to the timely readjustment of monetary credit according to changes in the economic and banking situation, and adopted some flexible measures while controlling the total amount of credit. It properly enlarged the scale of loans, lowered interest rates for both deposits and loans, restored the practice of settling accounts through collectors and acceptors, successively increased the funds for key state construction projects and enterprise technological transformation, and made great efforts to liquidate "triangular debts" among enterprises. Those actions helped promote market sales, a gradual economic pickup, and a readjustment of the economic structure.

Li Guixian said: At present, the overall banking situation in China is good, and our currency is quite stable. The good situation is shown mainly by the fact that deposits have increased, the total amount of monetary credit has been brought under control, the extension of loans has been basically in line with government policy, and both the situation of international receipts and payments and the banking order have improved remarkably.

In 1990, according to Li Guixian, deposits in banks and credit cooperatives increased sharply. As of the end of the year, urban and rural residents' savings deposits increased by 188.7 billion yuan, as compared with the beginning of the year. The monetary issue was 30 billion yuan, within the limits of state plan. Bank loans increased by 273.1 billion yuan, fulfilling the state credit plan. Of the increased amount of loans, 76.7 percent of the total was extended to borrowers for use as circulating capital to support the production, circulation, and purchase of commodities, and 16.1 percent was extended to borrowers for use as fixed assets to support key state construction projects and to help enterprises readjust their product mix. The additional funds were loaned out in a more rational way. Moreover, the state foreign exchange reserve increased a great deal and the total amount of foreign debts was brought under control last year.

Li Guixian pointed out: Facts prove that the readjustment and retrenchment made by banks last year met the objective demand of the year's economic and banking situation, and they were necessary to economic stability and development.

On this year's banking work, Li Guixian pointed out that banks must keep the currency basically stable and simultaneously support a moderate economic growth. He noted that these are very arduous tasks. For this reason, Li Guixian emphasized: This year, banks at various levels should continue to see the work of attracting deposits, particularly savings deposits, as very important. At the same time, they should give first priority to supporting agricultural development in their credit work, properly increase agricultural loans, and actively

provide funds to meet the rational needs of crop cultivation, livestock breeding, and agricultural science and technology development. A portion of this year's additional loans should be extended to support key state construction projects. Banks should make great efforts to support the invigoration of large and medium state-run enterprises, and they should continue to help enterprises liquidate "triangular debts." It is necessary to implement the credit principle of dealing with each case on its merits, supporting well-managed enterprises, and imposing restrictions on poorly-managed ones. All banks must extend new loans strictly in accordance with the industry, product, and credit policies of the state.

Li Guixian emphasized: In extending loans and settling accounts this year, banks at various levels must give higher priority to enterprises that produce or sell marketable goods and enterprises that sell industrial products in rural areas. In extending loans, banks must not impose restrictions on enterprises that sell goods produced in other regions, nor should they raise interest rates against these enterprises.

Li Guixian pointed out: At present, the total amount of loans extended by banks and rural credit cooperatives is huge. For various reasons, not all the loans are rationally extended, bad debts are quite serious, and both the quality of credit assets and the utilization efficiency of funds are declining. He called on banking organizations at various levels to implement the State Council decision on launching a nationwide "quality, variety, and efficiency year" campaign, and put the stress of the credit work on invigorating current loans and tapping the potential of funds. Li Guixian said: In this year, the banking department must help enterprises dispose of overstocked goods to accelerate the turnover of funds.

Tight Control Over Money Supply To Continue

HK1501031091 Beijing CHINA DAILY in English
15 Jan 91 p 1

[By staff reporter Zhang Ping]

[Text] Chinese banks will continue to keep a tight rein on the country's money supply so as to sustain stable growth of the economy.

This is the message from the president of the country's central bank, the People's Bank of China, who spoke at a week-long banking conference which opened yesterday in Beijing.

According to Li Guixian, the president, the central bank has set lending quotas for all the banks in the country to guarantee the money-supply ceiling for this year.

Li told branch executives of four State-owned banks and one shareholder bank at the conference that the lending quotas were mandatory and should be strictly observed, but he declined to disclose the exact figures about the quotas to news media.

The Chinese banks started the credit-control policy two years ago to cure an overheated economy and inflation but credit increases hit a record in the first three quarters of this past year when a larger money supply was needed to stimulate the sagging industrial production.

Statistics show that total lending during the past year topped 273.1 billion yuan (\$52.5 billion), meanwhile issues of banknotes registered 30 billion yuan (\$5.8 billion).

Li warned of the formidable money supply increase during the past year although it did not go beyond the originally planned money supply target.

Many other economists also sounded an alarm at the inflationary impact of such a large increase in the money supply.

Li also prescribed investment priorities for banks this year.

Banking Situation Said Generally Good

OWI401214491 Beijing XINHUA in English
1936 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—China's banking industry will focus on keeping the RMB [renminbi] currency stable and supporting adequate growth of the national economy in 1991, a senior Chinese official said here today.

Li Guixian, state councillor and governor of the People's Bank of China, said at a national conference on banking that at present, China's banking situation is generally good, citing the fact that inflation has been brought under control and currency is stable.

This year, the industry will endeavor to scale down credit loans, improve the loan structure, and tighten management so as to raise the efficiency of funds, Li said.

Statistics show that China's saving deposits earmarked a growth of 188.7 billion yuan last year, a record high in the country's history.

In 1990, the loan scale expanded by 273.1 billion yuan and note issuance reached 30 billion yuan, 88 billion yuan and nine billion yuan more than the previous year, respectively.

Meanwhile, the international payments balance also improved, foreign debts were put under strict supervision, and exports witnessed a sharp increase. By the end of last September, the state reserve of foreign currencies reached 25.9 billion U.S. dollars.

Li said that last year's loosening of the money supply was necessary for the stability and development of the economy.

However, some problems have emerged, he said, adding that the rise in the loan scale and issuance of new notes

was greater than expected. Money circulation and efficiency was also poor, according to the governor.

This year, the People's Bank of China, the country's central bank, will strictly limit the total scale of loans and speed up capital circulation by assisting enterprises reduce their large stockpiles, Li said.

In the meantime, the banking industry will also, in line with the state's industrial policy, increase agricultural loans and provide more funds to major state construction projects, Li said.

Bank of China Loans To Promote Exports

OWI401181991 Beijing XINHUA in English
1354 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—The Bank of China (BOC) will improve its loan structure this year to promote exports and the construction of the state's major projects.

Wang Deyan, president of the BOC, said at a national banking conference today that his bank will provide more loans to export-oriented enterprises this year.

The export of electronics and machinery will receive favorable monetary support, while export-oriented foreign-funded firms will also enjoy preferential treatment, Wang said.

According to Wang, the bulk of foreign exchange loans will be issued to projects involving the development of energy and transportation, as well as those raw materials industries in line with the state's industrial policy. Large enterprises and groups with good economic efficiency will also be backed, Wang said.

Wang noted that the BOC issued 33 billion yuan in loans to the foreign trade department last year. There was a 3.75 billion U.S. dollars increase in foreign exchange loans.

Meanwhile, foreign-funded enterprises received a combined total of 10.75 billion yuan and one billion U.S. dollars in loans to expand production.

The bank has also strived to develop its international business, Wang said. As of last October, the assets in the bank's subordinated overseas institutions surpassed 74 billion U.S. dollars, according to Wang.

Asian Development Bank Approves Technical Grant

OWI501032191 Beijing XINHUA in English
0251 GMT 15 Jan 91

[Text] Manila, January 15 (XINHUA)—The Manila-based Asian Development Bank (ADB) has approved a technical assistance grant to China of 600,000 U.S. dollars for environmental impact assessment training, ADB announced today.

The main objective of the grant is to assist the Chinese Government to improve its overall capacity to implement the environmental impact assessment program to ensure that the results are effective and meaningful, ADB said.

Article on Overseas Contracted Projects

HK1501120191 Beijing GUOJI SHANGBAO in Chinese
22 Dec 90 p 1

[“China Achieves Splendid Results in Overseas Contracted Projects and Labor Services”]

[Text] Our reporter Zhong Shengli, learnt from the National Overseas Economic Planning Conference recently held in Kunming, that our country's overseas contracted projects and labor service and cooperation have achieved brilliant results this year. There are reports that the planned contract amount of our country's overseas contracted projects and labor services and cooperation will reach \$1.77 billion this year, with \$2 billion completed by late September. It is estimated that the annual amount will reach \$2.5 billion. The planned management amount will be \$1.53 billion, with a \$1.1 billion expected by the end of September; the annual amount is estimated to reach \$1.7 billion. This year 65,000 various laborers and service personnel have been sent abroad and the number will reach 75,000 by the end of the year.

Our country has scored brilliant achievements in overseas contracted projects and service and cooperation this year, primarily because:

—Screening and rectifying companies has had notable effects, while the Ministry of Foreign Economic Relations and Trade [Mofert] has laid down a series of new regulations which have strengthened macroregulations, with the result that foreign economic work has taken an obvious turn for the better. Following rectification over the last two years, the number of international cooperation companies in our country have been reduced from 300 or more to some 110 this year, most of which have entered into a stage of healthy development. On this foundation, Mofert this year has successively laid down administrative regulations on launching foreign economic cooperation with countries and regions such as the Soviet Union, South Korea, Hong Kong, Bangladesh, and Pakistan, and new administrative methods on businesses, such as sending fishermen and seamen overseas. With the gradual implementation of these new regulations and methods, state administration throughout the whole sector has been strengthened and better coordinated, and various businesses now have regulations to abide by. With this, the past situation in which there were too many companies and organizations responsible for contact with foreign partners and price-cutting competition, has basically been changed and halted. In another related move, government administrative units at various levels this year have also generally

strengthened support and leadership over local overseas economic work, and this has to a very large extent promoted the growth of overseas economic affairs.

—Improved economic efficiency and reduced loss-incurring items have enabled some large-size, joint ventures to score notable successes. This year, to reduce losses and increase profits, Mofert has laid down strict rules such as the minimum labor service price, contract examination and approval in special regions, and the permit system for retrieved materials; and it has been actively developing seasonal job contracts to fully exploit the cheap labor in the local regions, and this practice has attained relatively notable economic effects in the Soviet Union, Mongolia, Egypt, Kenya, Benin, and Middle East countries. Moreover, chemical industrial projects in cooperation with the United States and some large-scale iron mine and aluminium-refinery projects in cooperation with Australia, have all scored good results this year.

—Contracted projects and labor service and cooperation have continued to develop toward high levels, hi-tech, and a wider range. Our country has now successfully launched the “Asia I” communications satellite into space with the “Long March III” rocket, offered a peaceful application of nuclear technology, provided Burma and Korea with computer systems, undertaken the construction of a large-scale copper mine for Pakistan, and so on. Some of the backbone units of our country's international cooperation companies have already progressed from the past undertakings such as ordinary house construction and highway projects, into a developmental stage in which they undertake large-scale industrial projects that are more technological in nature and provide projects that feature hi-tech services.

Rural Industry Conference Sets Production Goals

OW1401125991 Beijing XINHUA in English
0937 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—China plans to increase the output value of rural industry by 12 percent this year by improving the product quality and economic efficiency of such enterprises.

Speaking at a national conference on rural industry which is still in session, Chen Yaobang, deputy minister of agriculture, said the major tasks for rural industry development this year are to further adjust the enterprise structure in terms of trade, products and management, and explore ways for the establishment of a leasing system.

The deputy minister called on rural enterprises nationwide to increase material and capital investment, promote technological advances and further develop exports. To this end, the Ministry of Agriculture is ready to help promote enterprise management by sponsoring “the Year of Enterprise Management” in 1991.

According to the ministry, the rural industrial growth rate in output value has suffered a fall since March 1989 in the wake of the country's rectification policy. However, it showed a steady increase after March 1990 with over 10 percent in the annual growth rate.

Entrepreneurs on Village, Town Enterprises

OW1501130791 Beijing XINHUA Domestic Service
in Chinese 0303 GMT 15 Jan 91

[“Roundup” by RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporter Wang Yanbin (3769 6056 1755); “Some Peasant Entrepreneurs Freely Discuss Prospects for Village and Township Enterprises in the First Year of the Eighth Five-Year Plan: Strive for Development Toward a New Height”]

[Text] Beijing, 15 Jan (XINHUA)—Over 90 million workers in China's village and township enterprises have made tremendous contributions to paving the way for rural industrialization with Chinese characteristics in the past decade. At the outset of the first year of the Eighth Five-Year Plan, some entrepreneurs have already convened in Beijing to talk freely about their ambitious plans for further developing the country's village and township enterprises and continually opening up domestic and international markets, and their resolution to make the required efforts to effect stability and development of the entire social economy.

“We have braved the severely cold winter; we must try to stage an even better show in the warm, bloom of spring!” said the director of Wuhan's Hongqi Chemical Plant emotionally. “The recently concluded seventh plenary session of the 13th Central Committee of the Communist Party of China has fully affirmed the contributions and status of village and township enterprises. We can justly and boldly go all out for it.”

This plant, which began with 800 yuan as a small factory, has now developed into one with three companies, six factories, eight shops, and a scientific research center. Moreover, last year, it brought into its fold and revived a state-owned enterprise in Wuhan and made a profit of 30,000 yuan in the same month. They have mapped out new plans for 1991. Starting this year, they are aiming for “a double first” within three years with a production value of over one billion yuan and profits of over ten million yuan. Now this objective has been assigned down the line to various strata within the enterprises.

Lu Zhimin, general manager of the Hongzui Agricultural, Industrial, and Commercial General Corporation from Sipin City in Jilin, who is one of the best peasant entrepreneurs in the country, said: Our village and township enterprises have gone through trials and tribulations. They started from scratch more than a decade ago and now have grown into a powerful force to be reckoned with. We can say that the previous decade is for laying the foundation and building up the strength of our contingents, and from now on, we must make a big leap forward every year. This year is the first year in the

plan to quadruple the GNP by the end of the century. Village and township enterprises must have a better start.

“Establishing our footing through opening to the outside world, building our foundation on management, relying on our people to do their utmost and scoring victory through efficiency” is the strategic plan for developing an enterprise put forward at the beginning of the Eighth Five-Year Plan by Lu Kwanqiu, a senior economic planner and director of Hangzhou's Wanxiangjie factory. This renowned village and township enterprise chalked up an export earning growth of 38 percent last year despite the grim economic situation, and becomes the first of the village and township enterprises in the country to be elected as a state's class one enterprise. Lu Kwanqiu spoke confidently about the future: We are prepared to continuously break new ground in the international market, absorb foreign capital, invest overseas, and develop new products in collaboration with foreign businessmen. Besides, we want to further expand our enterprise group. Our plant plans to organize 10 study tours overseas for business negotiations.

The Daqiuya United Corporation of Agriculture, Industry, and Commerce in Tianjin Municipality's Jinghai County, which owns over 200 enterprises with more than 6,500 staff members and workers, will shift its economic strategy this year. In introducing his enterprises, the general manager of the corporation, Yu Zuomin, said: In the past few years, we ran enterprises by combining big and small undertakings as our mainstay, and we won victory through numerical superiority. From now on, we will have to consult experts and professors to help us renovate and transform our enterprises in order to achieve efficiency on a larger scale. We have set our mind to this single strategy with a view to promoting productivity by every possible means.

Chang Zonglin, general manager of the Xinmou International Corporation in Shadong's Mouping County, pointed out: Nowadays, with high technology and science advancing by leaps and bounds in the world, village and township enterprises must be oriented toward advanced scientific and technical development. Our enterprises will set up a research center for high technology and science shortly. With the impetus provided by science and technology, enterprises are expected to make great progress during the Eighth Five-Year Plan period.

Li Chunpu, general manager of the Qinghe Enterprise Group from Jinan City, said that they are going to hold a national order-placing fair for tourist products in March this year at the Jinan International Trade Center run by the Qinghe Group. The volume of business they concluded at the national fair sponsored last year exceeded 1.4 billion yuan, which demonstrates the style and strength of modern peasants. Li Chunpu said: During the Eighth Five-Year Plan period, enterprises' development goals are upgrading and forging ahead.

Guo Jianmin, general manager of Meile Company in Shaanxi's Sanyuan County, also showed concern for the development of village and township enterprises in entirely backward districts in the west, apart from paying attention to the development of his own enterprises. He said: The poverty-stricken population in China's rural areas are mostly in the West. An important approach to bringing prosperity to a larger number of peasants is to develop village and township enterprises. We must keep improving our enterprises, set good examples, and make due contributions to developing poverty-ridden areas.

Article on Rural Company's Experience

HK1601060791 Zhengzhou HENAN RIBAO in Chinese
10 Dec 90 p 1

[Article by Liu Guoguang (0491 0948 0342), vice president of the Chinese Academy of Social Sciences: "The Road of 'Jinghua' Is Worthy of Attention"]

[Text] Since reform and opening up, we have made marked achievements in developing the economy, improving the people's livelihood, making the market prosperous, and increasing supply. We have also made much progress in probing ways for rural economic development. The emergence of typical examples such as the southern Jiangsu formula, the Wenzhou formula, the Daqiu Zhuang formula, and the Diche formula has proved this point. A common characteristic of these economic development formulas is developing the rural economy by relying on the impetus of rural industries, transportation, commercial service, and township enterprises. Township enterprises constitute an important pillar for China's rural economy. Developing township enterprises is an important and effective method to free the peasants from poverty and bring about a shift from self-contained to commercialized agriculture, and from traditional to modern agriculture. This has practically become a common understanding and is also our valuable experience in probing ways for rural economic development.

China's township enterprises have made tremendous development in recent years, and a vigorous situation has appeared. In 1989 there were 1.87 million township enterprises in China, with 93.67 million people operating them. These enterprises produced an aggregate output value of 840.28 billion yuan, 58 percent of the rural social output value and 24.3 percent of the country's social output value. This was only a quantitative increase. In other words, economic results in this respect were achieved mainly by investing a large amount of resources. Many problems still remain unresolved with township enterprises in terms of industrial structure, product mix, product quality, labor productivity, technical innovations, market exploration, concept of competition, and mechanism for competition. The industrial structure and product mix of township enterprises are similar to those of urban enterprises. As a result, the prosperity and recession of township enterprises change

alternately according to the fluctuations in the macroeconomic environment. When there is a relaxed macroeconomic environment, adequate bank loans, and a strong market demand, township enterprises develop fast and their efficiency is high; otherwise, they will develop slowly and even retrogress. Therefore fundamentally speaking, township enterprises have not resolved the problem of how to develop themselves in line with their own conditions. Without the solution of this problem, they will find it hard to develop on a correct track. In the course of reform and opening up, Henan Province's Jinghua Industrial Company (run by the Dongjie villagers' group No. 5 of Xiaoji Township, Xinxiang County) has relied on the party's rural policy and collective strength in blazing a new trail that helps develop the rural economy steadily and rapidly. This is of major importance.

The Jinghua Industrial Company is organized by 72 households comprising 353 peasants with per capita possession of 0.7 mu of farmland. Originally they were poor households relying on state relief grain. After the Third Plenary Session of the 11th CPC Central Committee, the party branch led all the villagers in carrying out their industries and reform through hard struggle, thus enabling them to fulfill the following three tasks in economic development within a short span of 10 years. The first task was resolving the problem of adequate food and clothing in two years by devoting their main efforts to agriculture while making sideline production subsidiary. This laid a foundation for running industry in the rural areas. The second task was developing the processing of agricultural products in five years by taking industry as the dominant factor while making agriculture subsidiary, thereby providing funds and favorable conditions for the comprehensive operation and coordinated development of agriculture, industry, and commerce. The third task was running agriculture, industry, and commerce in a comprehensive manner, thus enabling these three to embark on the road of coordinated development. This company has formed an enterprise conglomerate with comprehensive agricultural, industrial, and commercial development. It has factories producing dried bean curd, canned food, bean products, cardboard boxes, industrial chemicals, and animal husbandry products; playgrounds for the peasants; a mechanized farm; and rural market places. In 1989, their per capita output value was 35,000 yuan, with per capita sharing of 3,600 yuan. Even during this year's economic retrenchment, structural adjustment, and weak market, the Jinghua Industrial Company's production and sales thrived all the same. By the end of September, it registered an output value of 8.1 million yuan, an increase of 35 percent over last year; and its income from sales was 8.3 million yuan, an increase of 33.9 percent.

A review of what the company has done reveals the causes of its successful experience:

First, it practices the economy under socialist collective ownership and takes the road of common prosperity.

The economy under collective ownership is an important component of the socialist economy and serves as a backing for the peasants to become better off. This is a historical experience and conclusion. In the early days of its commencement, the Jinghua Industrial Company had already made this point clear. After the Third Plenary Session of the 11th CPC Central Committee, cadres of the villagers' group relied on collective superiority and the masses' strength in developing agricultural production so that commune members could have grain to live on. On the other hand, they encouraged sideline occupations so that the masses could have money to spend. Based on these two points, they accumulated a fund for developing collective industry, thus making it possible for them to carry out the coordinated development of agriculture, industry, and commerce. The rapid development of the collective economy made the peasants better off. In return, this greatly consolidated their coherent and centripetal force and encouraged them to make selfless devotion to the public.

Second, the company's cadres are united and their unity has helped form a firm leadership core. The Jinghua Industrial Company has a group of leading cadres who are brave in making explorations, united in work, honest in performing public duties, and loyal to party spirit and principles. This is an important factor that has brought about its invigoration. Liu Zihua, party branch secretary and the company's general manager, always concerns herself with the company's production and sales as well as the villagers' marriages, funerals, housing, clothing, food, and other matters in daily life. For the sake of the collective and the villagers' common prosperity, she gave up the opportunities of becoming rich and being transferred. Because there is such a good party member and leader as Liu Zihua, who wholeheartedly serves the people, other party members and cadres in the Jinghua Industrial Company have set strict demands on themselves in serving the people and handling problems. Encouraged by these party members and cadres, the workers are working quietly and selflessly for the company. A good habit of honestly performing one's public duties and making selfless devotion prevails in the company.

Third, the company follows the economic law in developing commodity production. A basic requirement for organizing production and operations is displaying the strong points and overcoming the weak points. In comparison with the urban areas, the rural areas lack capital, technology, and talented people in developing industry, but the latter have favorable conditions in raw materials, human resources, and markets. The Jinghua Industrial Company relies on and fully utilizes these favorable conditions. In light of the local conditions, which are characterized by rich agricultural and sideline products, the company has engaged in the processing of agricultural and sideline products. The output value of dried bean curd and canned food accounts for 80 percent of the company's total. This processing industry is linked to agriculture on the one hand and the broad market on the

other, thus laying a foundation for the company's industry to flourish. For an enterprise, the first step toward success is a correct orientation in developing products. Whether it can move forward along this road depends on its operation. In terms of operation, a customer is a king. In soliciting customers and gaining a market, trustworthiness is the core. Trustworthiness involves product quality, prices, and service. In this respect, the Jinghua Industrial Company has made great efforts and achieved gratifying successes. Its products have won city-level awards because their quality is good. All this has helped Jinghua solidly establish its position in market competition.

Fourth, the company respects knowledge and talented people. The competition of products in the market is, essentially speaking, a competition of skills and talents. After its commencement, the Jinghua Industrial Company devoted its efforts to training talented people. It has experienced three stages. In the first stage, it helped the workers improve their skills, by inviting technicians from other companies to teach and train them. This was aimed at coping with production needs. In the second stage, it trained professionals. It sent some personnel to colleges and universities for higher studies. The company relied on them in improving the professional quality of other workers. In the third stage, it made efforts to improve the cultural quality of all the workers. The main form adopted was joint training. Last year the company and the Pingyuan University jointly ran professional courses on economic management. They recruited 56 students, who were required to study for four years to reach university graduate levels. What is more, the company always puts ideological and moral education in an important position in the course of training talented people and enhancing the workers' cultural and professional levels. When a group of new workers come, the first lesson given to them is "how to be good Jinghua people after entry into Jinghua." This includes education in the tradition of hard struggle, education in selfless devotion, and education in the prospects for Jinghua's development. The Jinghua Industrial Company has made brilliant achievements in respecting knowledge and training talented people. In 1989 the company was awarded with a city-level quality management prize and commended as a provincial-level advanced enterprise.

China's industrial modernization will be impossible without the participation of the 800 million peasants. The best way for the peasants to take part in the modernization drive is to run township enterprises, because China's special conditions have determined that we cannot follow West Europe's pattern of concentrating people in big cities. Therefore the rural areas constitute an important pillar for China's socialist modernization. With a job done well in the rural areas, China will be hopeful of its socialist cause. Jinghua's experience has provided methods for China's rural areas to carry out further reform and socialist modernization. Our theoreticians should conscientiously sum up its experience and

rural cadres should seriously study this experience. In line with their specific conditions, they should select a correct road ahead and share common efforts in building socialism with Chinese characteristics.

Wen Jiabao on Agricultural Development

*OW1501121191 Beijing XINHUA Domestic Service
in Chinese 1052 GMT 11 Jan 91*

[Report by Wen Jiabao: "Enliven Circulation and Promote Agricultural Development"—XINHUA headline; "XINHUA Note: This Is a Part of the Author's November 1990 'Report on Inspection of Agriculture in Hubei's Jingzhou Prefecture'"]

[Text] Beijing, 11 Jan (XINHUA)—Correctly analyzing and understanding the current rural situation and properly handling the new situation and problems after the bumper harvest will not only have a bearing on the consolidation of the excellent situation in rural areas but also will greatly affect agricultural development in the future. One of the present issues in rural work worthy of attention is that of invigorating commodity circulation in rural areas.

Enlivening Circulation Is One Important Link in Promoting Agricultural Development

Commodity circulation in rural areas or the rural market, as a matter of fact, involves two aspects: first is the procurement and marketing of agricultural sideline products; second is the supply of means of production and means of subsistence needed by farmers. These two aspects are extremely important in mobilizing farmers' initiative and in promoting agricultural development. Circulation as an independent link in social reproduction and its separation from direct production processes mark great progress in the history of economic development, which is also a prerequisite for normal progress of socialized production. Production determines circulation; if there is no production, there will be no circulation. Social reproduction is a process of repetition and constant development, however, and circulation is an indispensable link of this process that also serves as a link between production and between production and consumption; it also helps maintain the normal operation of socialized production. In a sense, we may say that circulation also determines production; if there is no circulation there will be no production. Circulation and production are interdependent; they condition and complement each other. The higher the degree of development of socialized production, the closer the relationship between circulation and production. As Marx once pointed out: Circulation and production are equally important in the commodity economy. Therefore, we should attach importance to and fully bring into play the role of circulation in the rural economy and in national economic development. Stressing agriculture means stressing two areas of agricultural production and commodity circulation in rural areas. Upgrading agriculture should also include upgrading agricultural production

and commodity circulation in rural areas. We should stress agricultural production; we should rely on policy, science, and investment and intensively and extensively develop productivity. At the same time, we should stress commodity circulation; expand circulation channels, and enliven circulation in rural areas; change commodity circulation in rural areas when it is not adapted to agricultural development; and promote the development of the rural economy as well as the entire national economy.

The Issue of Procurement and Marketing of Agricultural Sideline Products Is, Basically Speaking, One of Circulation and Pricing Systems

The present difficulty of selling and marketing of some agricultural sideline products does not mean that we have plenty of sideline agricultural products. The basic issue is still one of circulation and pricing system. One of the important issues of protecting the farmers' initiative in agricultural production and of protecting initiative in major agricultural sideline product production areas, grain production areas in particular and farm business units in those areas is also the issue of circulation and pricing systems. We should actively reform the circulation of agricultural sideline products, greatly facilitate circulation of agricultural sideline products, and earnestly solve the problem of "low grain prices hurting the farmers" at the same time. This is one of the important tasks in deepening rural reform. We should make overall plans and take all factors into consideration, actively and steadily proceeding with pricing system reform. Because this issue has a bearing on the overall situation and involves many areas, we should properly handle this issue after detailed investigation and study. The goal and direction of solving this issue are clear, which is to protect farmers' production initiatives and encourage the development of agriculture, particularly grain production. We should gradually solve the problem faced by major grain producing areas and grain departments in those areas, which is, the more they produce grain, ship grain to other areas, and sell grain, the more they lose money. This situation will not help mobilize the initiative of farmers, major grain producing areas, and grain departments in those areas, which should be changed step by step. We should encourage the implementation of the procurement and marketing system and pricing policy for developing the production of grain and other agricultural sideline products and let grain and other agricultural sideline products producing areas receive due benefits. We should also point out one thing, however, which is that in actual economic life agricultural sideline products run certain risks in the course of production, procurement and marketing, and storage and transportation. This is also one of the important issues that affects the production and procurement and marketing of agricultural sideline products. We should attach importance to it, study and propose policy and measures to solve it, and establish a sound mechanism.

Exploiting Present Favorable Opportunities for Stimulating and Enlivening the Rural Market Poses Yet Another Important Question in Improving Circulation in Rural Areas

In terms of total retail sales of social commodities throughout the nation, the rural market accounts for 56 percent, of which 60-70 percent comes from Jingzhou Prefecture. As such, enlivening rural market is an important link in stimulating the overall market. There are two aspects to enlivening the rural market: first, it is necessary to do a good job in purchasing agricultural sideline products and turn surplus agricultural sideline products held by peasants into marketable commodities and currencies; second, it is necessary to enliven the market for rural industrial products and satisfy the needs for means of production and the consumption of means of subsistence in rural areas. With a job well done in these two aspects, the whole rural market will be enlivened, leading to the healthy development of the national economy. The improved income for peasants resulting from increased agricultural sideline products brought about by the bumper agricultural harvest in 1990 has provided real purchasing power for industrial products in the rural market. Therefore, state-run commerce and supply and marketing cooperatives should grasp this opportunity to do a good job in rural markets. The commerce department in Jingzhou Prefecture has generally reflected 1990 market trends that were characterized by an early boom with prolonged sales of industrial products. With the rural market already brisk, it is estimated that total retail sales for social commodities will increase 10 percent over the previous year. The crux lies in earnestly raising cash for the purchase of agricultural sideline products and enhancing rural purchasing power. In the meantime, commerce departments and supply and marketing cooperatives have to face rural areas and peasants in a bid to stimulate the rural market with extra efforts and energies. These departments have to keep an eye not only on towns and cities but also rural areas, particularly on changes in rural markets brought about by the bumper harvest. While giving full play to the functions of the state-run commerce and supply and marketing cooperative as the major channel, it is necessary to place importance on other channels; further bring out the roles of the collective commerce and the private business; improve the rural trade market; and promote overall development of the rural commodity economy and an active market. The circulation of rural commodities needs both major and local channels, and continued free flow among them is equally important. The state-run commerce and the supply and marketing cooperative serve not only as the major channel for the circulation of rural commodities but also shoulder the responsibility in managing the rural commodities and play the role of policy adjustment. It is necessary to better organize the

management of commodities in accordance with the objective law for commodity circulation and give full play to their functions as the major channel. Based on the needs of the circulation of rural commodities, relevant government departments should ensure funds in the state-run commerce and supply and marketing cooperative which enable them to arrange well the source of commodities, readjust the stock structure, and gradually reduce losses. The question of the existence of state-run commerce and the supply and marketing cooperative should be resolved through deepening of reform.

Viewing Problems in Industrial Production From the Angle of the Rural Market Is an Important Aspect of Economic Work

From peasants' needs and rural market changes, we should be able to identify problems in industrial production in terms of product mix, quality, and efficiency, thus helping to improve and enhance them.

Enlivening the circulation of rural commodities is an important component of the development of the socialist planned commodity economy. It is such an important link in promoting agricultural development, linking the urban and the rural economy, and strengthening the workers-peasants alliance that we cannot afford to overlook it. We have to give full attention to this problem and do a good job in this respect.

Summer Grain Growing Areas Expanded

*OW1401134291 Beijing XINHUA in English
0918 GMT 14 Jan 91*

[Text] Beijing, January 14 (XINHUA)—China has expanded its sown areas for summer grain and oil-bearing crops by 1.5 million hectares in the wake of record grain crop harvests last year, said an official from the Ministry of Agriculture today.

This is the third year in succession for China to expand its growing areas of such crops as more southern provinces are attaching greater importance to winter sowing and northern areas are trying to improve their farming systems, the official commented.

China has already sown 45 million hectares of summer crops, among which 35 million hectares are sown with grain and six million hectares with oil-bearing crops, both increases of 530,000 hectares over last year.

Meanwhile, China is growing 3.1 million hectares of green manure, 500,000 hectares more than last year.

According to the ministry, most of the crops are growing well, due to favorable weather conditions.

East Region**Lu Rongjing Eulogizes South Anhui Martyrs**

OW1501063891 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 8 Jan 91

[Speech by Lu Rongjing, secretary of the Anhui Provincial CPC Committee, at the 7 January memorial meeting for martyrs of the Anhui Incident—read by announcer; from the "Provincial Hookup" program]

[Text] Fifty years ago, some 9,000 commanders and fighters of the New Fourth Army, encircled and attacked by more than 80,000 Kuomintang troops, fought a last-ditch battle for seven days and nights. Hopelessly outnumbered, most of them were killed. This was an unusual tragedy in history engineered single-handedly by the Kuomintang diehards. It seriously harmed the basic interests of the Chinese nation, undermined the unity of the anti-Japanese camp, and weakened the force against the Japanese aggression. It also served as a negative example that educated the Chinese communists, democratic parties, and people throughout the country, enabling them to see even more clearly the true class nature of the Kuomintang diehards by getting rid of dissidents and in resorting to reactionary and autocratic practice. What we can tell the martyrs to console them is that the perverse Kuomintang diehards, finally met the fate of failure, while the blood of the revolutionary martyrs encrimsoned the great earth of the motherland and bore rich fruit. If the martyrs in the nether world could see this, they would be greatly excited and feel satisfied with the pride of the Chinese nation and the vigorous development of the socialist cause.

By holding this ceremonious meeting today to commemorate the martyrs involved in the South Anhui Incident, we not only wish to review this history and console the dead, but more importantly, want to urge the vast numbers of our Communist Party members and cadres, as well as the broad masses of people, to translate the revolutionary martyrs' sacrificing spirit into a valuable mental asset from which they will receive education and enlightenment. We hope that the martyrs' spirit will encourage us to do even better in carrying forward our party's fine tradition and style, firmly safeguarding and developing political stability and unity, promoting the sound development of socialist material and spiritual civilizations, and carrying through to the end the cause pioneered by the numerous martyrs.

Our party recently held the Seventh Plenary Session of its 13th Central Committee. Based on earnest efforts to sum up China's experience in socialist modernization and reform in the 1980's and to analyze correctly the current political and economic situation, the session set out the basic guidelines, major principles, and major strategic tasks, and mapped out a feasible blueprint for our country's economic and social development during the next decade and the period of the Eighth Five-Year Plan. [Passage indistinct]

It is of great practical importance that we are holding a meeting at this time to commemorate the 50th anniversary of the passing and to cherish the memory of the commanders and fighters who died martyrs' deaths in the South Anhui Incident. We must carry forward the revolutionary spirit manifested by the martyrs in their arduous and indomitable struggle, their strict observance of discipline, and their selfless dedication. We must carry on the martyrs' revolutionary will, strive to achieve the great goal and fulfill the various tasks set by the Seventh Plenary Session of the 13th CPC Central Committee, and work hard to build socialism with Chinese characteristics.

Eternal glory to the martyrs who died in the South Anhui Incident!

Fujian Seeks Democratic Parties' Cooperation

HK1501100991 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 14 Jan 91

[Text] This morning the provincial government invited, democratic party members and non-party personages residing in Fuzhou, to a forum to brief them on plans for provincial government and financial work in 1991, and to solicit their suggestions and opinions on provincial government work.

Acting Governor Jia Qinglin, Vice Governor Chen Mingyi, responsible members of the provincial Planning Committee and Finance Department, and 40 democratic party members and non-party personages—including (Chen Xizhong), (Zhang Kehui), (Zhao Qiufu), (Lu Haoran), and (Chen Yasheng)—attended the meeting.

Comrade Jia Qinglin reported on last year's economic situation in the province and the plan for this year. He said: This province achieved marked success in economic improvement and rectification last year. We basically fulfilled the major tasks of reducing excessive social demand, cooling the overheated economy, and curbing inflation. The market was brisk in urban and rural areas. Prices remained stable, with the prices of some products falling. Despite repeated natural calamities, financial losses, and limited [words indistinct], we managed to make ends meet. The national economy kept making sustained and steady progress.

In 1991 we will continue to carry out the principles of readjustment, transformation, upgrading, and development, and to promote the experiment in comprehensive reform. The provincial government's central tasks and key measures are:

1. Continue to boost agricultural production and try to make a success of the forestry, grain, and shopping basket projects.
2. Do a good job in readjusting the organizational structure of enterprises, developing horizontal economic collaboration, guiding enterprises to make progress, and organizing enterprise groups. Great efforts should be

made to improve the economic performance of major and medium-sized state-owned enterprises.

3. Improve macroeconomic management and limit the scale of investment.

4. Further enliven and open up markets and maintain stable prices.

5. Continue to improve and deepen reform and open wider to the outside world, with the stress on expanding trade with Taiwan.

The participants fully affirmed the province's remarkable achievements in the building of material and spiritual civilization last year, and raised many suggestions and opinions on its future work. They hoped government departments would continue to display the style of plain living and hard struggle, and to practice strict economy and thrift in all undertakings. Together with people throughout the province, they too will play the democratic parties' role of participating in and discussing political and state affairs, continue to work for the government, and suggest ways and means in a bid to make work in all fields successful.

Fujian Achieves Macroeconomic Regulation Success

HK1601072191 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 12 Jan 91

[Text] A survey conducted by the provincial Urban Social and Economic Investigation Team shows that as a result of the economic improvement and regulation in the last two years, this province has scored successes in macroeconomic regulation and control. This finds expression in three respects:

1. Prices have become stable and inflation has been brought under control. In 1990, the province-wide general level of retail prices was slightly lower than the previous year, achieving two years ahead of schedule the goal set by the central government of gradually reducing inflation rate with the growth rate of retail prices being lower than 10 percent by 1992.

2. The strain caused by total demand outstripping total supply has eased to a certain extent. In 1990 the province-wide total supply-demand differential rate has come down to 0.7 percent, down four percent from the 4.7 percent of 1988.

3. The subsidies for prices have declined. In 1989, the money spent on price subsidy was 60 million yuan less than 1988, a decrease of 9.1 percent. The corresponding figure dropped by a big margin in 1990 as compared with 1989.

Fujian Attracts Overseas Agricultural Investment

OW1401214791 Beijing XINHUA in English
1058 GMT 14 Jan 91

[Text] Fuzhou, January 14 (XINHUA)—Fujian Province plans to hold its first fair to attract overseas investment in agriculture in Fuzhou City from January 18 to 22.

At the coming fair Fujian will offer 528 projects for international co-operation, including 188 crop cultivation and livestock breeding projects, 151 farm produce processing items, 24 projects involving water conservancy and hydro-power, 56 for cultivation of forestry and fruit growing, and 109 involving rural industrial enterprises.

In addition, the province will provide 1,500 varieties of farm produce worth 1.3 billion yuan (about 260 million U.S. dollars) for export at the fair, which is being organized by the provincial government, the national agricultural investment corporation, and the China Trust and Investment Company for Agricultural Development.

Since 1979 Fujian has empowered the Xiamen Special Economic Zone, the Mawei economic and technological development zone, Fuzhou City, and 33 other counties and cities to open for overseas investment and trade, according to the provincial agricultural bureau.

The province has also established three zones for Taiwan investors and pilot zones for export of farm produce, and experiments in fine crop strains and fine livestock breeds.

So far, Fujian has set up production centers for grain, fruit, tea, timber, livestock, fowl, aquatic products, edible fungus, and food processing and packaging. In 1990 the province provided farm produce worth some 3 billion yuan for export.

Shen Daren Chairs Meeting on Plenum Guidelines

OW1501112091 Nanjing XINHUA RIBAO in Chinese
4 Jan 91 p 1

[Text] The provincial party committee convened a Standing Committee meeting on 3 January, presided over by Comrade Shen Daren, to relay the major guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. Comrades at the meeting earnestly studied and enthusiastically discussed the major documents of the seventh plenary session. In addition, taking the actual situation into consideration, they spoke glowingly of the gains from their studies of the documents.

The participating comrades unanimously maintained that the Seventh Plenary Session of the 13th CPC Central Committee was a meeting that fully publicized democracy, drew on collective wisdom, and absorbed all useful ideas, thereby materializing the truly democratic and scientific process in formulating resolutions. "The

Proposals of the CPC Central Committee for Drawing Up the 10-Year Program and the 'Eighth Five-Year Plan' for National Economic and Social Development," adopted at the Seventh Plenary Session of the 13th CPC Central Committee, is a programmatic document with great guiding significance. The "proposals" realistically set forth the basic tasks, principles, and policies of China's socioeconomic development in the next 10 years, as well as under the Eighth Five-Year Plan, in consideration of the best interests of the people of various nationalities throughout China, the development of socialism with Chinese characteristics, as well as on the basis of conscientiously summing up the practical experiences since the Third Plenary Session of the 11th CPC Central Committee and scientifically analyzing the domestic and international situation. This further defines the second phase of the strategic goal. While being highly realistic and relevant, these "proposals" also considered the trend of development for the future. The "proposals" not only suit the general requirements for building socialism with Chinese characteristics, but also fully reflect the continuity and various stages of the modernization drive. As a result, these "proposals" pointed out the direction for advancing China's socialist modernization drive and provided us with the specific plan of action to materialize the second phase of the strategic goal. The goal of struggle in the next 10 years outlined the magnificent development blueprint for China's socialist modernization drive. This new stimulus and appeal to all the Chinese people will be very encouraging to the whole party and to people throughout the country. We must clearly recognize the situation, galvanize ourselves, be of one heart and one mind, act in unison, and wage hard struggle to materialize the second phase of the magnificent goal for China's socialist modernization drive.

The meeting also studied specific arrangements and plans for relaying and studying the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, urging various localities and departments to organize the broad masses of cadres and people to make serious efforts to study and understand the communique of the Seventh Plenary Session of the 13th CPC Central Committee, and to unify their ideology and guide the current work in accordance with the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. It is necessary to publicize, by various methods, the communique of the Seventh Plenary Session of the 13th CPC Central Committee in the vast rural areas, and in factories and schools. Press units should promulgate the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee through the mass media. Leading groups at various levels should take the actual situation into consideration, diligently conduct investigation and study, and formulate the "Eighth Five-Year Plan" and the 10-year program for their respective areas, while thoroughly studying and understanding the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. The provincial party committee decided to hold a third (enlarged) plenary session of the

Eighth Jiangsu Provincial CPC Committee in late January to further study the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee.

Attending the meeting were eight members of the provincial party committee Standing Committee. Attending the meeting as observers were responsible persons of the provincial Advisory Commission, secretaries of the party groups of the provincial People's Congress and the provincial committee of the Chinese People's Political Consultative Conference, and responsible comrades of the relevant departments.

Jiangsu Boosts Economy During 7th Plan

OW1501214991 Beijing XINHUA in English
1432 GMT 15 Jan 91

[Text] Nanjing, January 15 (XINHUA)—Jiangsu, an economically developed province in east China, made rapid progress in economic construction during China's Seventh Five-Year Plan period (1986-90).

The value of Jiangsu's gross domestic product reached 131 billion yuan and its industrial output value topped 213 billion yuan last year, representing increases of 49 and 100 percent, respectively, over the value from 1985, a provincial official announced today.

The industrial output accounted for over 90 percent of the province's total agricultural and industrial value. Nearly 40 percent of the industrial output value came from large and medium sized state enterprises.

While promoting the development of traditional processing and light industries, the province gave priority to agriculture and the production of energy, raw materials and basic industries over the past five years.

The province has built around 20 big and medium-sized new construction projects and 8,000 small projects since 1985. Key projects for energy, raw materials and agriculture-related products include a soda ash factory with an annual production capacity of 600,000 tons, an ethylene plant with a processing capacity of three million tons of oil a year, and a large chemical fiber plant.

The province used foreign funds totalling 1.4 billion U.S. dollars for infrastructure construction, upgrading enterprises and tidal zone exploitation during the five-year period.

Jiangsu Long-Distance Telephone Automation

OW1601020491 Beijing XINHUA in English
0106 GMT 16 Jan 91

[Text] Nanjing, January 16 (XINHUA)—Telephones in county-level cities of east China's Jiangsu Province were directly connected with the national telephone automatic network yesterday, according to the provincial Posts and Telecommunications Bureau.

Bureau officials said that 11 cities and most of the province's counties have been directly linked with the telephone networks of more than 180 countries and regions worldwide.

The province is the third one, following Fujian and Zhejiang, that has realized the automation of long-distance telephones.

In the past five years the province has invested a total of one billion yuan in the construction of posts and telecommunications facilities. This is three times the figure for the 1950-1985 period.

By the end of 1990 the province had more than 10,000 long-distance telephone lines, 491,000 telephones in urban areas and 350,000 in rural areas.

Jiangxi Posts Industrial Growth in 1990

HK1601101091 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 12 Jan 91

[Text] In 1990 the broad masses of workers and staff members in the industrial and transportation fronts managed to chalk up appropriate industrial growth despite fairly undesirable external conditions. Statistics show that the provincial gross industrial output value amounted to 42.03 billion yuan in 1990, up 6.7 percent over the previous year and exceeding the planned growth rate of 6 percent.

The output value created by state-owned industrial enterprises came to 27.428 billion yuan, showing a 1.8 percent increase. The output value created by collectively owned industrial enterprises totaled 14.37 billion yuan, up 14.3 percent, of which the value created by township and town enterprises added up to 10.1 billion yuan, up 17.7 over the preceding year. Industrial enterprises of other types created a value to the tune of 230 million yuan, an increase of 24.6 percent. Of 50 principal industrial products that were included in the plan and subject to examination and assessment, 23 had their production quotas fulfilled. The production plans for a dozen products—including television sets, rock salt, tobacco, and so on—were carried through one to two months ahead of schedule.

This province's 1990 industrial production bears the following features:

1. As a result of economic improvement and rectification, the economy began to pick up after plunging to a low and maintained appropriate growth.
2. The growth rate in prices was brought under control. The growth rates of ex-factory prices of manufactured goods or of purchasing prices of raw and semi-finished materials dropped noticeably, creating favorable conditions for industrial production.
3. The production of energy remained stable and the supply of coal and electricity was normal. This gave a positive impetus to industrial production as a whole.

4. Foreign trade continued to grow. The output value of export commodities increased by 9.5 percent in 1990 after it moved up by 16.8 percent in 1989.

Shandong Party Studies Marxism, Plenum Guidelines

SK1501032891 Jinan Shandong Provincial Service in Mandarin 2300 GMT 14 Jan 91

[Text] On the afternoon of 14 January, Standing Committee members of the Shandong Provincial CPC Committee collectively studied the theory of Marxism and scientific socialism. They pledged to firmly and unswervingly take the road of building socialism with Chinese characteristics, and to work hard to fulfill the second-step strategic goal of socialist modernization. In study, Standing Committee members of the provincial party committee conducted a penetrating discussion in close connection with the reality of Shandong and with the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee.

They unanimously maintained: Since the third plenary session of the 11th CPC Central Committee, in line with the principle of combining the universal truth of Marxism with the specific reality of China, by profoundly summarizing the historical experience and the experience gained from the present practice, our party has drawn a scientific inference that China is now at the initial stage of socialism, and has formed the basic line of upholding the four cardinal principles, with focus on economic construction, and upholding reform and opening-up. What has happened in the past decade proves that the road of building socialism with Chinese characteristics is a road in agreement with the reality of China and is the road to lead our country to strength and our people to prosperity. In the 1990's, as long as we advance along this road in a firm and unswerving manner, we certainly will be able to withstand the trials of all kinds of storms, and to create even more brilliant achievements.

In study, they pointed out: To fulfill the second-step strategic goal of socialist modernization we must firmly and unswervingly promote reform and opening-up, with the focus on economic construction. Our reform is the self-perfection and development of the socialist system. The constant deepening of reform and the constant expansion of opening-up surely will promote the development of productivity and the comprehensive progress of society, and will fully display the superiority of socialism. We must firmly and unswervingly implement the principle of developing the national economy in a sustained, steady, and harmonious way. Our country has a large population that requires a great quantity of commodities. To solve various kinds of economic and social contradictions, we must maintain a certain economic growth rate as a prerequisite for increasing economic efficiency. We must avoid and overcome the tendency to be overanxious for quick results, and must strive to avoid another big storm in economic life. We must firmly and unswervingly persist in the principles of self-reliance, arduous struggle, and building up the

country through thrift and hard work. Our country is a large, developing socialist country. To realize the modernization drive, we must protractedly persist in the principle of building the country through thrift and hard work, practice economy in an all-round manner, and run all undertakings through thrift and hard work.

In the study, they pointed out: The coming 10 years will have a direct bearing on the success or failure of our country's socialist system and on the future and destiny of the Chinese nation. The Seventh Plenary Session of the 11th CPC Central Committee pooled the wisdom of the whole party, and provided a blueprint for fulfilling in the coming 10 years the strategic goal of quadrupling the 1980's gross national product by the end of this century. They said that they would actually implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee with practical work, would firmly foster the idea of focusing all undertakings on economic construction, would immerse themselves in hard work in a united manner, and would strive to boost the national economy in order to fulfill the second-step strategic goal of socialist modernization.

Leading comrades of the provincial advisory commission, the provincial People's Congress Standing Committee and the provincial government also attended the study.

Shandong Builds More Telecommunications Systems

SK1501074191 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 14 Jan 91

[Summary] In 1990, Shandong Province scored marked achievements in building microwave telecommunications systems. By the end of 1990, the province put three large digital microwave telecommunications lines, which are 1,358 km long and have 47 relay stations, into operation or into trial operation. During the year, the increased length of such telecommunication lines showed a 3.2-fold increase over 1980 and the increased number of relay stations showed a 5.9-fold increase over 1980. The construction of three microwave telecommunications lines, between Beijing Municipality and Shanghai Municipality through Shandong Province, between Jinan City and Qingdao City through Linyi City, and between Yantai City and Zhaoyuan County through Weihai City, is sponsored by the State Council and the provincial People's Government by importing the advanced microwave telecommunications equipment from Japan and West Germany with the loan offered by West Germany, and uses both imported and domestic equipment. Each line contains three main channels and each of the channels contains 1,920 lines. At present, the province has formed a microwave telecommunications network, with the center in Jinan City, which is connected to most localities across the province and with all coastal cities.

Shanghai Party Briefs Groups on 7th Plenum

OW1501131291 Shanghai City Service in Mandarin
2300 GMT 14 Jan 91

[By station reporter (Zeng Wengong) and correspondent (Ji Xiaodong); from the "Morning News" program]

[Text] The Shanghai Municipal CPC Committee held a commerce forum on 14 January to brief the responsible persons of every democratic party and mass organization and the representatives of prominent figures without party affiliation on the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the 11th Plenary Session of the Fifth Shanghai Municipal CPC Committee. Wu Bangguo, deputy secretary of the Shanghai Municipal CPC Committee presided over the meeting and spoke.

He stressed: Shanghai's economic and social development entered into a crucial period in the 1990's. It is necessary for us to concentrate our efforts on successfully promoting economic development, bearing in mind the strategic thinking of striving for Shanghai's regeneration, developing the Pudong Area, serving the whole country, and gearing various endeavors to the needs of the world.

Wu Bangguo pointed out: The tasks faced by Shanghai in the future are very arduous. The Shanghai Municipal CPC Committee hopes to share weal and woe with every democratic party and to rally all the people of the municipality to persist in the socialist orientation and be jointly dedicated to the grand undertaking of striving for Shanghai's regeneration.

Mao Jingquan, member of the Standing Committee of the municipal party committee and head of its United Front Work Department, attended the meeting and spoke.

Shanghai Women's Federation Studies 7th Plenum

OW1501143791 Shanghai City Service in Mandarin
2300 GMT 14 Jan 91

[By station correspondent Li Hanling; from the "Morning News" program]

[Text] The Ninth Executive Committee of the Shanghai Municipal Women's Federation held its eighth meeting on 14 January. The overall tasks put forward by the meeting for the women's federation this year included using the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee as a guide to further improve ideological and political work; endeavoring to enhance the level of women's accomplishments; and rallying and mobilizing women of all nationalities in all walks of life throughout the municipality to contribute to political, economic, and social stability in and the development of Shanghai and to render meritorious services to the fulfillment of the Eighth Five-Year Plan and the 10-year program.

The meeting drew up plans for focal tasks to be handled by the women's federation in 1991. They included rousing women throughout the municipality to strive to be females who cherish lofty ideals, have moral integrity, attain cultural accomplishments, observe discipline, uphold women's self-government, render meritorious services in fulfillment of the Eighth Five-Year Plan, and unfold competitive activities among women to perform meritorious deeds. A total of 800 "8 March" Red Banner pacesetters will be commended on International Working Women's Day this year; 10 parade guards who have set good examples in these endeavors will be named and honored at the same time.

Shanghai Scientists' 7th Plan Achievements

OW1501122691 Beijing XINHUA Domestic Service
in Chinese 0448 GMT 15 Jan 91

[By reporters Zhang Xuejin (1728 1331 6855) and Zhang Guansheng (1728 7070 3932)]

[Text] Shanghai, 15 Jan (XINHUA)—Shanghai scientists, who once made outstanding contributions to science and technology in the world, have once again scored remarkable achievements. During the period of the Seventh Five-Year Plan, the 400,000-strong science and technology work contingent here, through close cooperation, achieved successful results in some 2,160 research projects that were up to advanced world levels. This number was about 80 percent more than successful research projects during the period of the Sixth Five-Year Plan, a fact indicative of Shanghai's rapid progress in catching up with or even surpassing world levels in the present era of keen international competition in science and technology.

Confronted with the challenge of a new world technological revolution, scientists and technicians in Shanghai have come to realize more and more keenly the importance of reaching the commanding height in scientific research. The Seventh Five-Year Plan period witnessed their success in 126 projects in the fields of microelectronics, new materials, bioengineering, ocean engineering, and medical technology, all being pioneering projects or projects in the front rank in the world. These projects included fluorine-plastic alloys, bismuth germanate crystals, and crop genetic manipulation technology. With these achievements, a number of China's scientific research projects that were close to the international level now are in the advanced ranks in the world.

During the period of the Seventh Five-Year Plan, scientists and technicians in Shanghai, unwilling to lag behind and with an ambition to change the backward state as early as possible, cooperated to tackle the hard and key problems in high and new technologies. This brought about new changes in those areas of scientific research where China has a fairly big gap with the world. In a number of technological fields—such as robots, satellite

remote sensing, infrared optical fiber, underwater super-long-distance push pipe [shui xia chao chang ju li ding guan 3055 0007 6389 7022 6415 4418 7307 4619], sensor system, animal genetic recombination, human growth hormone manufacture, genetic diagnosis of hereditary diseases—in the past China could not compare with developed countries; now it is in the advanced ranks in the world. In certain areas, some countries have held a leading position all along. Now, they are faced with a serious challenge due to the giant strides made by Shanghai scientists and technicians to catch up with them.

These reporters once saw two pictures of a ground target taken at the same time from two different satellites. One was taken by the scanning radiometer on an American meteorological satellite, the other by the "Fengyun One" scanning radiometer. The picture taken by China, though from a longer distance, was clearer than the one taken by the American satellite. After seeing the picture taken by the Chinese satellite, an American journalist wrote an article to praise it, saying that "this is a picture with a very high definition." The "Fengyun One" scanning radiometer, developed by the Shanghai Institute of Technical Physics, has raised China's satellite remote sensing technology, which formerly was some 10 years behind the developed countries, to the advanced world level.

The latest statistics compiled by the Shanghai Municipal Science and Technology Commission reveal that Shanghai scored major achievements in 10,087 projects during the Seventh Five-Year Plan period, far exceeding the number for the Sixth Five-Year Plan period. Among them, some 2,000 were up to advanced world level, most of which were the results of self-reliant efforts. In high-power laser technology, there is a gap between China and the developed countries due to the blockade imposed by the latter. In the spirit of winning honor for our country, the 300 researchers of the Shanghai Optical Equipment Institute, supported by the factories concerned, relied on their own efforts to make the components and devices and finally built a "Shengguang" [4377 0342] installation, with a output power rating as high as 2 billion kilowatts. The installation, with 99 percent of its components and devices made domestically, has produced the intended results in conducting scores of physical experiments of the advanced international level, thus winning a place for China in the world arena of high technology.

Central-South Region

Guangdong People's Congress Meeting Ends

HK1601022391 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 10 Jan 91

[Text] The 17th meeting of the seventh provincial People's Congress Standing Committee ended today. It examined and approved several provisions on protecting the rights and interests of the aged, rules and regulations

on protecting the water quality of the Dong Jiang in Guangdong Province, and interim rules and regulations on control over the social and cultural market in Guangzhou. The meeting also discussed and approved the decision revising Clause Two of the Procedures for Popularizing Compulsory Nine-Year Education in Guangdong Province. The meeting also approved personnel appointments and removals.

The meeting approved the appointment of (Xiong Bingyan) as chief procurator of the Shenzhen City People's Procuratorate, and the removal of (Li Zhengguang) as chief procurator of the Zhongshan City People's Procuratorate. During his tenure of office, (Li Zhengguang) violated the discipline governing the procedure of handling cases by procuratorial organs [words indistinct].

Guangdong Party Hears Reports on Vice

HK1601013391 *Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 10 Jan 91*

[Text] This morning, the provincial CPC Committee held a meeting to listen to reports by relevant departments on the work of eliminating the seven vices and pornography, and opposing smuggling in various parts of the province since the telephone meeting held by the provincial CPC Committee in October last year. At the meeting, detailed arrangements were made for action to be taken soon.

Deputy Provincial Party Secretary Xie Fei addressed the meeting, saying: We must be more resolute in grasping the struggle against the seven vices, pornography, and smuggling. At present, we must overcome the slack mood and grasp the work of implementing the specific plans. We must grasp well the building at grass-roots level and the consolidation at relevant units, and must implement the contract system. We also must do well the work of housing and handling persons who violate the law or commit crimes. We must grasp typical cases firmly and persistently.

Provincial party and government leaders Fang Bao, Huang Hao, and Lu Zhonghe also spoke at the meeting.

Guangxi Journalists Discuss 1958 Mao Letter

HK1601082891 *Nanning Guangxi Regional Service in Mandarin 1130 GMT 12 Jan 91*

[Excerpts] On 12 January 1958, Comrade Mao Zedong wrote a letter to leading comrades of the then regional CPC Committee and government on how to run GUANGXI RIBAO well, stressing that the problem of provincial papers was a very important one that deserved our conscientious study. He said: A provincial paper can play the role of organizing, encouraging, inspiring, criticizing, and promoting for the work and people of the whole province. Thirty-three years have passed since Comrade Mao Zedong wrote this letter, and 33 years is a very long time. However, when journalists

review the spirit of the letter, they still maintain that Mao Zedong's idea on running newspapers is correct and fits in with practical reality. [passage omitted]

This is a view unanimously aired by participants in a discussion held in Nanning this morning [12 January] on studying Chairman Mao's letter on running GUANGXI RIBAO well. The discussion was held jointly by the Guangxi Journalists' Association and GUANGXI RIBAO.

Ding Tingmo, deputy secretary of Guangxi Regional CPC Committee; Du Jingyi, director of Propaganda Department under the regional CPC Committee; and responsible persons of various press units directly under regional authorities, central press units stationed in Guangxi, and units under regional people's government organs in charge of journalist and publication work; (Yang Zhijing), (Deng Shengcai), (Liang Dingwei), (Zhang Zhihui), and others attended the discussion.

At the discussion, journalists made their speeches enthusiastically, saying that Comrade Mao Zedong's letter is a guiding principle for running newspapers and press undertakings well. Comrades of GUANGXI RIBAO had deeper thought on it, maintaining that the letter is a forceful weapon, and powerful driving force for running GUANGXI RIBAO. They stressed: At the beginning of the 1990's, it is of great practical significance to review this letter with the aim of inheriting and carrying forward the fine tradition of our party in running newspapers and press undertakings, fulfilling the tasks of the Eighth Five-Year Plan, and building socialism with Chinese characteristics. Mass media such as newspapers, and radio and television broadcasts can play a great role in organizing, encouraging, inspiring, criticizing, and promoting various work and the entire people.

Ding Tingmo, Du Jingyi, (Yang Zhijing), (Deng Shengcai), (Liang Dingwei), and others spoke at the discussion. In his speech, Comrade Ding Tingmo said: Party committees must attach importance to newspapers, and must strengthen and improve their leadership over newspapers. They must do well in ensuring the correct political orientation of the newspapers, persist in the party line, and uphold the orientation of building socialism with Chinese characteristics. They must provide specific guidance for the orientation of public opinion. They must work together with the masses to study the way to run newspapers well. [passage omitted]

He stressed: We must adhere to the correct guiding principle for propaganda, and sing the praises of the party, and the achievements made in reform and opening up. In the meantime, we must criticize the old idea of the bourgeoisie and feudalism, corrupted phonemonia, and bourgeois liberalization. While conducting the criticism, we must pay attention to the problems of quantity and degree of intensity.

While talking about the building of a journalist contingent, Ding Tingmo emphasized: We must enhance their political and theoretical level, and their professional

quality, so that they can strengthen their conviction in socialism. At present, we must conscientiously study and implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee. We must have a good mental outlook, and strengthen our sense of historical responsibility for our times, as well as our sense of urgency. We must inspire our enthusiasm and concentrate our efforts on propagating the situation of stability and unity. We must grasp well the report on economic construction. In particular, we must propagate basic guiding principle of the party in an all-round, accurate, and prompt manner. We must persist in holding aloft the banner of continuing to build socialism with Chinese characteristics, persist in reform and opening up, adhere to the principle of developing our national economy in a sustained and stable way, and persist in simultaneously grasping the building of the two civilizations. [passage omitted]

In his speech, Comrad Du Jingyi urged grasping well the work of propagating the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, the spirit of the sixth regional party congress, the Eighth Five-Year Plan, study of socialist theories, the four upholds, and the struggle against bourgeois liberalization. In the meantime, we also must handle reports on major commemorative activities well.

Guangxi Reports Record High Foreign Trade Figures

HK1601065591 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 10 Jan 91

[Excerpts] Better achievements were made in our region's exports in 1990 as a result of overcoming such difficulties as price hikes at home, an increase in export costs, a shortage of funds, and an insufficient supply of goods. The accumulated export volume for the whole year reached more than \$720 million, which means fulfillment of the annual plan by 127.8 percent, an increase of more than \$140 million, or 24.5 percent, over 1989. This was a record high in our region's foreign trade history. [passage omitted]

Export volume of enterprises run by the three kinds of capital reached \$42 million or so, which also meant overfulfillment of the whole year's plan.

In 1990, our region's exports increased by a big margin, mainly because:

1. Party and government leaders at all levels attached importance to foreign trade, while relevant departments actively supported it and lent their cooperation by helping foreign trade departments overcome troubles and solve difficulties.

2. Efforts were made to improve contract system methods for exports and operations to arouse the enthusiasm of various quarters.

3. Firm and early arrangements were made to purchase and export goods, which had a bearing on the situation as a whole. Prompt action was taken.

4. Efforts were strengthened to promote export sales, correctly seize the opportune moment, and grasp transactions well so as to actively open up the international market.

5. Various companies generally strengthened enterprises' management and operations in order to enhance their economic results, and increase their capability to devise strategies to make up deficits.

Therefore, our region's export volume for the whole year reached \$700 million, and export tasks were completed in a better way.

Southwest Region

Report on Sichuan's Industrial Production Output

HK1601102791 Chengdu Sichuan Provincial
Service in Mandarin 1015 GMT 12 Jan 91

[Text] In 1990 the broad masses of workers and staff members on the industrial and communications front in our province were of one mind and exerted concerted efforts to achieve better results despite numerous difficulties. Total industrial output value of the whole year was 69.665 billion yuan, an increase of 3.62 percent over 1989. In December last year, industrial production output value topped 7 billion yuan, a record high in history.

In 1990, industrial production conscientiously implemented the guiding principle of improvement and rectification, and concentrated its efforts on readjusting product mix. Marked results have been achieved in this regard.

1. The position of fundamental industry was strengthened, and production of energy, and raw and processed materials continued to rise in a sustained way.

2. Production of industrial goods including synthesis ammonia, chemical fertilizer, [words indistinct] and so on increased in a stable manner.

3. Production output of marketable products such as textile products and silk whose effective market supply can be guaranteed, and some applied industrial goods also went up by a bigger margin.

4. Efforts continued to be made to exercise control over production of high and middle-grade consumer goods which were in stock a long time, and unsalable goods, including bicycles, cameras, wrist watches, sewing machines, radio sets, and recorders. The production output of these goods dropped by a bigger margin.

In 1990 although industrial production in our province had already risen from the lowest ebb, it still could not

extricate itself from a predicament. At present, contradictions between production expansion and the increase in overstocking, and between increase in production output and fall in economic results, are still conspicuous. The basic patterns of the old product mix and production setups have not yet been significantly improved. These factors will continue to affect industrial production of the whole province. Experts in the economic circles remind various localities, departments, and enterprises that while making arrangements for this year's industrial production, they must truly implement the guiding principle which take economic result as a center.

Tibet Publicizes 7th Plenum Communique

OW1501175091 Lhasa Tibet Television Network
in Mandarin 1300 GMT 4 Jan 91

[From the "Tibet News Program"]

[Text] The Propaganda Department under the Tibet Autonomous Regional CPC Committee organized cadres at operational sections to study the communique of the Seventh Plenary Session of the 13th CPC Central Committee in the afternoon of 2 January 1991. Participants at the study session also conducted earnest discussions of the communique.

After completing an initial study of the communique, all held that the Seventh Plenary Session of the 13th CPC Central Committee is another major meeting in the party's history. The proposals adopted at the meeting were programs of action in realizing our nation's second-step strategic objectives. In studying the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, we should stress the focal points:

1. Contents of study include the communique of the Seventh Plenary Session of the 13th CPC Central Committee and new year's message. At present, we should study well the documents and understand well the essence of the guidelines so we can lay a good foundation for the next stage of study.

2. We should have a clear understanding of the major significance of the Seventh Plenary Session of the 13th CPC Central Committee as well as the major significance of the proposals adopted at that meeting. The proposals summed up the experiences of the construction and reform in the last decade in an in-depth manner, scientifically analyzed both the domestic and international situation, and set forth the basic tasks and requirements for the next 10 years and the Eighth Five-Year period. We should clearly define various guiding principles and policies. The proposals are the programs of action for realizing the second-step strategic objectives that show that our country's modernization construction will enter a new development stage.

3. We should clearly set forth the basic requirements and key points for the next decade and the guiding thought to be followed.

4. We should closely grasp the following crucial points: First, strengthen and improve the party's leadership, and second, take the current international situation into account and do a good job at home.

5. We should actively respond to the calls made at the party's plenary session. Let us work with one heart and mind and strive in unity to realize the 10-year program and the Eighth Five-Year Plan.

Participants at the meeting also held the view that party committees at all levels in Tibet should not only pay special attention to doing a good job in socialist economic construction but also take concrete steps to strengthen the building of spiritual civilization. The building of spiritual civilization should be included in the economic and social development plan. We should earnestly do a good job of holding celebration activities to mark the 40th anniversary of the peaceful liberation of Tibet. We should carry out in-depth propaganda and education work on patriotism and socialism and link this propaganda and education work with the marking of the 70th founding anniversary of the Communist Party of China, the 80th anniversary of the Revolution of 1911, and the 140th anniversary of the Taiping Revolution.

Yunnan Secretary Relays 7th Plenum Spirit

HK1601053591 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 15 Jan 91

[Excerpts] The provincial party committee held a meeting of party members and cadres in the National Defense Gymnasium yesterday afternoon to relay the spirit of the Seventh Plenary Session of the 13th CPC Central Committee.

Provincial party committee deputy secretary and provincial governor He Zhiqiang presided over the report meeting.

Provincial party committee secretary Pu Chaozhu relayed the spirit of the Seventh Plenary Session and delivered an important speech in light of the realities in Yunnan.

In his speech, Pu Chaozhu mainly talked about the following six questions:

1. The highlights of the Seventh Plenary Session and the formulation of the "Proposals;"
2. Scientific summation of experiences over the past decade and correct comprehension of current international and domestic situations are the two important bases upon which the "Proposals" was formulated;
3. The main goals to be attained in the next decade;
4. The main thought behind economic development and the focus of construction;
5. To open up a prospect for in-depth reform and opening up to the outside world;

6. The motive force and guarantee for accomplishing tasks.

Pu Chaozhu said: The Seventh Plenary Session of the 13th CPC Central Committee was an extremely important meeting, which discussed and adopted "Proposals of the CPC Central Committee on Formulating the 10-year National Economic and Social Development Plan and the Eighth Five-Year Plan." The "Proposals" is a grand blueprint for the modernization building in our country during the next 10 years and is a program of action for the whole party and the people of all nationalities across the whole country. The Seventh Plenary Session was an inspiring meeting characterized by solidarity and success. The "Proposals," which is a programmatic document, is the fruit borne by full development of democracy and is the crystallization of the wisdom of our whole party. The party Central Committee with Comrade Jiang Zemin as the nucleus set us a good example in making decisions on a democratic and scientific basis. [passage omitted]

Pu Chaozhu said: To implement to the letter the "Proposals" adopted by the central authorities, it is necessary to greatly strengthen and develop agriculture in light of the realities in Yunnan, continue to give full play to Yunnan's superior tobacco, sugar, and tea productions, and step up the building of communications, energy, and post and telecommunications projects. [passage omitted]

Pu Chaozhu said: In formulating development plans, various prefectures, autonomous prefectures, and cities must take into account prefectural and county situations, analyze their characteristics, and find out their strong points to enable them to take their own roads and avoid divorce from realities.

Pu Chaozhu finally said: Under the guidance of the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, all party members and people of all nationalities must unite more closely, develop the revolutionary spirit of self-reliance and hard work, work with one heart and one mind, and strive to attain the strategic goals and accomplish the basic tasks put forward in the "Proposals." By doing things in this way, we will certainly be able to open up a new prospect for socialist modernization building and achieve more brilliant and significant results in the remaining 10 years of this century and enter the 21st century, which is full of hope, in high spirits and with enhanced enthusiasm.

Yesterday's report meeting was attended by leading comrades of the provincial party committee, provincial advisory committee, provincial discipline inspection commission, provincial people's congress, provincial government, and provincial CPPCC committee, including (Liu Ronghui), Li Xingwang, Liu Shusheng, and Qiu Chuangjiao, as well as some retired veteran comrades who were formerly leaders of the provincial party committee, including (Liu Minhui), (Sun Yuqing), (Gao Zhiguo), and others.

The report meeting was attended by more than 3,900 people, including party-member cadres at and above prefectural and provincial department levels, some retired veteran comrades, and leading cadres of Kunming City.

Yunnan Official on Ordinance Banning Narcotics

HK1601045791 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 11 Jan 91

[Interview with Qiu Chuangjiao, provincial party committee Standing Committee member and provincial Higher People's Court president, by unidentified station reporter; date, place not given—live or recorded]

[Text] Reporter: The National People's Congress [NPC] Standing Committee has published its decision on banning drugs. Would you tell me what kind of statute it is, when it will be put into effect, and what important significance it has for our province?

[Qiu] [Words indistinct] the NPC Standing Committee approved the statute on 28 December last year and PRC President Yang Shangkun issued it in the form of Ordinance No. 38, which was also effective from 28 December last year. This statute is of great importance to cracking down on illegal drug traffickers and addicts, holding the trafficking in drugs in check, ensuring the people's health, maintaining public security, and defending the socialist modernization. Some 150 years ago, the imperialists, backed by their armed forces, unleashed the evil Opium War, reducing China to a semicolonial and semifeudal country. During the long years thereafter, the Chinese people suffered heavy misfortunes brought about by opium and were subjected to historical humiliation. Yunnan was one of the provinces that fell victim to drugs and suffered the most. [words indistinct] After liberation, we waged two struggles against drug trafficking and scored great success under the leadership of the party and government. [words indistinct] Yunnan has been haunted by infiltration of drugs because of its geographical position. Over the last few years, foreign drug traffickers have seized every opportunity to transport a large amount of narcotics to Yunnan and then retransport them to Hong Kong, Macao, Southeast Asia, Europe, the United States, and other countries. A few lawless elements in the country acted as their helpers to seek exorbitant profits. [words indistinct] In the border areas, the smuggling of heroin even led to the spread of AIDS [Acquired Immune Deficiency Syndrome]. If we remained indifferent, the people of all nationalities would once again suffer from drugs. The statute enacted by the NPC Standing Committee will certainly help our struggle against drug trafficking to develop in depth.

North Region

Li Ximing Addresses 'Beijing Yearbook' Ceremony

SK1601022591 Beijing BEIJING RIBAO in Chinese
23 Nov 90 p 1

[Excerpts] On 22 November, a ceremony was held to mark the first publication of the "Beijing Yearbook" in 1990, the first large-scale comprehensive materials instrument book of Beijing. Li Ximing, secretary of the Beijing Municipal CPC Committee, wrote an inscription for this yearbook, and Chen Xitong, mayor of Beijing, wrote the preface. They also attended the ceremony.

In his speech, Li Ximing regarded the compiling of "Beijing Yearbook" as an important task. He extended solicitude and thanks to the editorial staff and pertinent comrades for their hard work. He expressed the hope that comrades of various fields would offer more and valuable suggestions to this book and continuously support it so that this book might become increasingly better.

An Chengxin, deputy secretary general of the State Council, and Ye Rutang, vice minister of construction, made speeches at the ceremony. They praised the book for its rapid publication, rich content, full and accurate materials, record of the progress of Beijing history, and provision of important data for personages in various fields to learn about Beijing.

The ceremony was presided over by Zhang Mingyi, vice chairman of the municipal committee of the Chinese People's Political Consultative Conference, executive deputy director of the municipal local chronicles editorial board, and chairman of the editorial department of "Beijing Yearbook." Wang Lixing, deputy director of the municipal local chronicles editorial board and chairman of the editorial department of "Beijing Yearbook," introduced the book's compilation and publication situation. [passage omitted]

Attending the ceremony were leading comrades of pertinent central departments and Beijing Municipality, including Li Qiyan, Wang Jialiu, Wang Guang, Li Zhiyan, Zhang Jianmin, Meng Zhiyuan, Yuan Liben, Shan Zhaoxiang, and Li Jiaju.

Beijing Handles Issues Raised by Deputies

OW1401215091 Beijing XINHUA in English
1605 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—The Beijing municipal government has handled all of the 1,127 items of criticism, advice and opinion raised during the Third Session of the Ninth Beijing Municipal People's Congress.

Zhu Zupu, deputy secretary-general of Beijing municipal government, made these remarks in a report to the Standing Committee of the municipal People's Congress today.

The criticisms touch upon some officials' dishonesty in performing official duties and the misconduct that exists in every trade.

Among the proposals, 300 are related to economy and finance, 400 to city construction and management, 160 to culture, education, hygiene and science, whereas 267 deal with politics, law and other official aspects.

Among the issues raised, 579 have been solved or are nearly solved, and 119 have been listed to be handled by the government in two or three years' time.

In addition, 373 of the total 1,127 issues will probably not be solved in a short period of time because of financial difficulties. Another 56 issues have been transferred to the state council, for they do not fall within the jurisdiction of the municipal government.

Beijing Economy Recovers in 1990

HK1501030291 Beijing CHINA DAILY in English
15 Jan 91 p 2

[By staff reporter Jiang Xiaoyun]

[Text] Beijing's major economic indicators for 1990 showed sharp increases, a good measure of a significant recovery of the capital's economy.

According to the latest statistics released by the Beijing Municipal Statistical Bureau, last year's industrial output posted a rise of 5.4 percent over the year before, while retail sales of social commodities bounced back with a 15.3-percent increase to 30.8 billion yuan.

Residents' bank deposits hit 22.6 billion yuan by the end of last year. The 18.8 billion yuan in urban residents' savings accounts represented a staggering 40-percent jump on the 1989 figure and the 3.86 billion yuan in suburban residents' savings accounts posted a hefty 36.6-percent increase.

Municipal revenue topped 7.4 billion yuan last year, advancing at 4.2 percent compared with 1989, while municipal expenditure hit 6.65 billion yuan, 11.8 percent more than the year before.

Beijing Overfulfills 1990 Revenue Quota

OW1401135791 Beijing XINHUA in English
1006 GMT 14 Jan 91

[Text] Beijing, January 14 (XINHUA)—Beijing overfulfilled its revenue budget quota by 0.2 percent in 1990, the eighth successive year that Beijing's municipal revenue saw an increase, according to the head of the Beijing Finance Bureau today.

Wang Baosec, the bureau chief, revealed this in a report to the Standing Committee of the Beijing Municipal People's Congress.

He said the municipal revenue in 1990 is estimated to reach 7.4 billion yuan, 0.2 percent more than the budget.

Of this amount, the tax revenue gained from the Industry, Commerce, Agriculture and Animal Husbandry Departments fulfilled the budget by 200 percent, though some commercial and industrial enterprises were in deficit.

Wang attributed the increase to timely measures taken by the municipal government to increase revenue, as well as to improvement of the contract system and strengthening of the financial administration in enterprises.

At the beginning of 1990 the Beijing Municipal Government made extra efforts to adjust the structure of products and Beijing's factories developed more than 2,800 new products, of which 2,700 have been put into production. The municipal government also increased the supply of some materials badly needed on the market. And from April Beijing's industrial production began to take a turn for the better. By the end of the year, Beijing's industrial departments overfulfilled their annual plan by five percent.

Beijing Family Planning Regulations Approved

OW1501152291 Beijing XINHUA in English
1310 GMT 15 Jan 91

[Text] Beijing, January 15 (XINHUA)—A set of family planning regulations was approved today at a meeting of the Standing Committee of the Beijing Municipal People's Congress.

The regulations reiterate the policy of "one couple, one child," but does allow for exceptions, stipulating that Beijing residents from minority nationalities, and farmers with difficulties, will be granted the permission for a second child.

Strict controls in this regard are provided for Beijing's over 1 million floating population.

The regulations outlines detailed rewards and punishments as part of its rules for the implementation of family planning in the capital.

There are now some 11 million people living in Beijing, and it is predicted that the population will continue to grow for at least 30 years.

The regulations will go into effect on June 1.

Beijing Citizens Concerned About Gulf Situation

OW1601021591 Beijing XINHUA in English
0041 GMT 16 Jan 91

[Text] Beijing, January 16 (XINHUA)—Beijing citizens from all walks of life are concerned about the dangerous Gulf situation, expect that the January 15th won't be the last line for the efforts for peace, and hope that the countries concerned would continue their effort to avoid war.

The Gulf crisis has become an important topic for Beijingers these days, as witnessed by the increased sales of newspapers in the capital.

In a shop near the Beijing Railway Station which sells newspapers and magazines, people, including cadres, workers, peasants, students and common citizens, read the news reports on Gulf situation. A 100-page magazine on the Gulf crisis sells at a rate of one copy every five minutes.

An official of the China National Offshore Oil Corporation said that he hopes Iraq will decide to withdraw from Kuwait at the last minute so that the crisis can be settled peacefully. He said that if war breaks out, the world oil industry will be severely affected, and oil prices will be unstable.

An enterprise manager who is on a business trip in Beijing from Taixian County of Jiangsu Province, East China, said: "We Chinese do not like war, for it brings disaster and suffering. It's not necessary to solve the crisis by means of war." He said that Iraq's invasion of Kuwait should be condemned, and that it's the time for the Iraqi Government to consider the situation calmly and in light of Iraqi people's benefit.

College students in Beijing who are preparing for their end-of-term examinations haven't lost any attention in the Gulf situation; students on every campus attentively read the front page of the newspaper bulletins each day.

At the International Relations Institute, a female student said: "War is never a good thing, just think about the number of families that will suffer from the misfortunes it brings."

A male post-graduate said that the possible war could affect the situation of the world as a whole, but no country can benefit from it. He hopes that detente and stability will last forever.

An official of the China Council for the Promotion of International Trade said that war can not solve the crisis ultimately, and people should not give up efforts to achieve a peaceful settlement. He hopes that the international community will succeed in the last minute.

Hebei Sells Land Use Rights to Foreign Investors

OW1501152691 Beijing XINHUA in English
1314 GMT 15 Jan 91

[Text] Shijiazhuang, January 15 (XINHUA)—The government of north China's Hebei will sell the land use rights to 24 plots to overseas investors.

A government official announced today that the plots are located in economic and technological zones in Qinhuangdao, Beidaihe, Tangshan, Shanghaiguan, Langfang and Zhuozhou Cities, Cangzhou Prefecture and nine counties. All of the plots have abundant water resources, electricity, and convenient communications.

The land use rights will be sold in a variety of ways including auctions, public bidding, and contracts. Time limits for the use of land range from 30 to 70 years, the official said.

Investors from abroad are welcome to come to Hebei to make investigations and conduct negotiations on purchases of the land use rights.

Hohhot Rally Sentences 84 Criminals

SK1601023691 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 15 Jan 91

[Text] On the morning of 15 January, Hohhot City held a rally at the Workers Cultural Palace to publicly handle and deal strict blows to criminals. At the rally, the Hohhot City Public Security Bureau publicly handled 84 criminals guilty of various crimes. Of them, Sun Heping and 35 others were arrested according to law, and 48 were sentenced to reeducation through reform.

Since last year, the Hohhot City Public Security Bureau has cracked 1,574 cases of various types during the struggle to deal strict blows to criminal offenses and the struggle to oppose [words indistinct], and handled 1,241 criminals.

Inner Mongolia Trade Union Council Plenum Ends

SK1401122791 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 13 Jan 91

[Excerpt] The second enlarged plenary session of the fifth committee of the regional trade union council ended on 13 January.

The session put forward the ideologies for guiding the 1991 trade union work as follows: Persist in the basic line of the party; positively disseminate and conscientiously implement the guidelines of the seventh plenary session of the 13th party Central Committee and the guidelines of the CPC Central Committee's circular on strengthening and improving the party's leadership over the work of trade unions, Communist Youth League organizations, and women's federations; take economic construction as a key link to promote improvement of the economic environment, rectification of economic order, and the deepening of reforms; and mobilize staff members and workers of all nationalities to rely on themselves, wage an arduous struggle, and try every possible means to promote economic work.

The session relayed the guidelines of the seventh plenary session of the CPC Central Committee and the (23d plenary session) of the 11th committee of the All-China Trade Union Council, reviewed and summed up the region's trade union work, and made arrangements for the 1990 work.

The session also examined and approved relevant systems of the committee and [words indistinct] and the items concerning electing members and extra members of the trade union council.

During the session, Qian Fenyong, deputy secretary of the regional party committee, held discussions with the participants. [passage omitted]

Inner Mongolia Surpasses 7th Plan Targets

OW1601145791 Beijing XINHUA in English 1407 GMT 16 Jan 91

[Text] Hohhot, January 16 (XINHUA)—North China's Inner Mongolia Autonomous Region has enjoyed full-scale economic development over the last five-year plan period (1986-1990), surpassing the major production targets.

At an annual increase rate of six percent and 5.8 percent, respectively, over the past five years, the region's gross product reached 28.5 billion yuan and gross income surpassed 22 billion yuan last year.

During this period the region completed 49 key projects at the state or the regional level. Its fixed capital expenditure amounted to over 30 billion yuan.

The output of some of the region's products such as coal, steel and timber has been listed into the country's top ten. Its industrial output totalled 16.1 billion yuan-worth last year, a 63.8 percent increase over that for 1985, and far exceeding its production target.

In addition, infrastructure facilities of the energy and raw materials industry here were expanded. By the end of 1989 the region produced over 43 million tons of coal, some three million tons of steel—one and half times and 8.3 percent, respectively, more than the figures five years ago.

With more funds, the region's agriculture and husbandry production technologies have improved greatly. Last year the region produced 9.73 million tons of grain, 39 percent more than the annual target, and 3.69 million tons more than the 1985 output.

By the end of 1990 the number of livestock in the region was estimated at over 38 million, a 18.8 percent increase compared with 1985.

The region has also gone further in its opening policy. With an improved investment and trade environment, it has approved 157 joint ventures involving a total of 260 million U.S. dollars in foreign funds over the past five years.

The last five-year period has also seen expanded foreign trade in the region. Increasing at an average of 17.1 percent annually, last year its import and export value reached 400 million U.S. dollars, twice that for 1985.

In 1990 the brisk border trade here with Mongolia and the Soviet Union was worth at least 110 million U.S. dollars, showing an annual increase rate of 48 percent, and was six-fold more than that in 1985.

Li Ligong Addresses Economic Work Conference
HK1501104291 *Taiyuan SHANXI RIBAO* in Chinese
18 Dec 90 p 1

[“Provincial Party Secretary Li Ligong Attends Provincial Meeting on Planned Economic Work”]

[Text] The provincial conference on planned economic work opened in Taiyuan yesterday. The central topic of this conference was the propagation and implementation of the spirit of the national planning conference, preparation of our province's national economic and social development plan for 1991, and deployment of next year's economic work.

The guiding ideology behind next year's provincial planned economic work is: Designation of economic construction as the focus; adherence to the four cardinal principles and to the fundamental line of reform and opening up; implementation of the guideline of “readjustment, reform, upgrading, and development”; further satisfactory realization of economic improvement and rectification and deepening of reform, stepping up of agriculture, energy, transportation, raw materials, and infrastructural construction; emphasis on higher economic results as the priority in both production and construction; realistic strengthening of management; promotion of technological advances; forceful launching of “management year” activities designed to upgrade quality, variety, and efficiency; energetic amelioration of the economic structure especially the product mix; and active opening and stimulation of the market so that the economy of the province will grow in a sustained, stable, and coordinated manner.

Vice Governor Wu Junzhou made a report entitled: “Continue To Do a Good Job in Economic Improvement and Rectification and In Deepening of Reforms, and Do a Good Preparation for the Planned Economic Work of 1991.” First, he summed up the state of national economic development in the province this year: Agriculture entered a new phase with a bumper harvest and total grains production reached 9.69 billion kilograms; industrial production maintained a definite rate of growth, with total production output estimated to be 6 percent higher than last year's, and fairly rapid development was attained in key industries like energy and raw materials; increase recorded in fixed assets investments, with yearend total expected to reach 9.6 billion yuan, a 4.8 percent increase over that of last year's, and improvement made in investment structure; gradual improvement in market condition, general price index kept at around 3 percent, much lower than last year's rate of price increase of 19 percent; increase in fiscal revenues and gradual stability in the monetary situation; steady growth in external economic relations; further development in science and technology, education, and other social causes.

In his report, Wu Junzhou outlined the main tasks in next year's planned economic work as follows:

- Continue to strengthen the agricultural foundation and strive to achieve a steady growth in agricultural production.
- Continue to do a good job in base construction related to energy and heavy chemical industries, and step up the reserve strength for development.
- Firmly spur on the readjustment of product mix, step up production of raw materials in short supply, products in support of agriculture and of highly-marketable light industry and textile products, strive to open up markets, stimulate circulation and promote sales and marketing.
- Actively support the invigoration of large- and medium-sized enterprises and ensure the completion of the tasks in command-style planning. At the same time, support the development of medium- and small-sized enterprises which manufacture marketable products, enjoy high quality and excellent results.
- Launch “management year” activities designed to upgrade quality, variety, and efficiency all over the province, and strive for a remarkable boost to the quality of enterprises and to economic results.
- Continue to stabilize, substantiate, readjust, and perfect all existing and proven reform measures, expand the scope of reform and opening up, selectively and emphatically resolve the outstanding problems in economic life and in the administrative system.
- Tightly control the scope of fixed assets investments, step up construction of key projects, strengthen technological innovation in enterprises, focus investment in infrastructure, in projects which will provide reserve strength for development, and in projects which will bear excellent economic results.
- Further strengthen science and technology and education, give full play to the role of science and technology in promoting economic growth and raising economic results, and upgrade the quality of education.
- Continue to expand opening to the outside world, strengthen external economic relations and foreign trade, strive to increase export earnings, and actively make use of the import of foreign capital and advanced technology.
- Set up the market well and maintain the basic stability of prices in order to further improve and raise the people's standard of living.
- Continue to do a good job in various social undertakings such as culture, health and sports, step up building of socialist spiritual civilization and of the legal system, strengthen protection of the ecology and the environment, do a good job in family planning, and tightly control the growth of population.

Meng Lizheng, director of the provincial planning bureau, spoke on the spirit of the national planning conference.

Finally, Li Ligong, secretary of the provincial party committee, made a speech. He pointed out: This conference on planned economy is very important and has received great attention from the provincial party committee and the provincial government. Our province attained considerable results in this year's planned economic work, but we should also take note of the problems. Next year's economic work may be said to be more difficult, or even considerably difficult. It demands that we mobilize the entire party, that the entire party stresses economic work and truly gives full priority to the development of productive forces with economic construction as the focus. In brief, it is necessary to unify thinking and understanding and strive to do a good job in our province's economic work next year, notably in the first quarter.

Provincial party and state leaders who attended yesterday's provincial conference on planned economic work were: Li Ligong, Wang Senhao, Wang Maolin, Wang Tingdong, Feng Zhimao, Zhao Yuting, Yen Wuhong, Yen Yuanxiao, Guo Yuhuai, Wu Junzhou, Wu Jie, and Wang Xi. Also present were Guo Qinan, special adviser to the provincial government, and Jia Yunbiao, former vice governor.

Tianjin CYL Committee's Plenum Opens 14 Jan

SK1501061791 Tianjin City Service in Mandarin
2300 GMT 14 Jan 91

[Text] The 11th enlarged plenum of the Eighth Tianjin Municipal Communist Youth League [CYL] Committee opened on 14 January. Wang Xudong, member of the municipal party Standing Committee, came to the plenum hall to meet the CYL cadres from various districts, counties, bureaus, and higher educational institutions. During the reception, he delivered a speech in which he on behalf of the municipal party committee fully acknowledged the work done by the CYL organizations at all levels across the municipality in launching campaigns of learning from Lei Feng and Lai Ning, encouraging healthy trends, leading youths to devote themselves to economic construction, and of making contributions while conducting their professional work. He also stated that during the Eighth Five-Year Plan period, the CYL organizations across the municipality should actively implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, lead and unite with CYL members and youths to devote themselves to construction during the period and to score achievements in the construction, and should vigorously play their role as the assistants and new forces of the party. In his speech, Wang Xudong also put forward four specific demands for the CYL work in 1991.

During the plenum, Luo Baoming, secretary of the municipal CYL committee, also delivered a speech entitled "Heighten Our Spirit, Devote Ourselves to Construction in the Eighth Five-Year Plan Period, and Make Contributions Again to Developing the Municipality's

Excellent Situation." The participating representatives also discussed the main points of the CYL work in 1991.

Northeast Region

Heilongjiang Governor Views Financial, Tax Work

SK1601022791 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 15 Jan 91

[Text] Participants at the provincial financial work conference, which was held on 15 January, pointed out: Financial and tax departments at all levels should correctly understand the province's current financial and economic situation, foster new financial concepts, and promote the steady economic development in an all-around manner.

Attending the conference were leaders of the provincial party committee, the provincial government, the provincial People's Congress, and the provincial committee of the Chinese People's Political Consultative Conference, including Shao Qihui, Wang Zhao, Wang Haiyan, Chen Yunlin, and Zhang Ruoxian. Shao Qihui and Chen Yunlin made speeches.

The conference participants pointed out: At the moment, serious problems remain in the province's economic situation. Major indicators include a too-low increase in the scale of industrial production, market sluggishness resulting from poor structure, slack sales of commercial departments, a remarkable drop in the efficiency of enterprises, a sharp increase in deficits of various professions and trades, conspicuous contradictions in fund supply and demand, and the extremely serious instances of enterprises' cross-defaults to each other and the deferred payment of their debts.

To solve these problems, we are required to renew our concepts of financial and tax work and realize changes in the following four aspects:

First, in promoting production and circulation, we should change concepts. We should change from the concept of merely paying attention to increasing production but not to increasing marketing in promoting production to the concept of first analyzing the market and circulation situation and then choosing the products to be increased. This first concept is related to the commodity economy, while the second agrees with the planned commodity economy.

Second, in the aspect of promoting and increasing efficiency, we should change from simply attaching importance to large enterprises but not to small and medium-sized enterprises to supporting large, medium-sized, and small enterprises. We should focus on increasing economic efficiency, and on the prerequisite of not reducing the efforts to invigorate large and medium-sized enterprises.

Third, in the aspect of promoting the development of diverse sectors of the economy, we should change from

unduly emphasizing the state-owned sector of the economy at the expense of township and collective sectors to vigorously developing township and collective sectors of the economy.

Fourth, in the aspect of promoting the management of finance and financial affairs, we should change from paying attention to budgetary funds but not to extra-budgetary ones to simultaneously strengthening the management of budgetary and extra-budgetary funds.

The conference participants emphatically stressed that at the moment, financial and tax departments should play an important role in helping solve the following three urgent difficulties:

The first difficulty lies in the increased deficit and expenditure in grain management. Financial and tax departments at all levels should more penetratingly draw up measures to tackle this difficulty in an all-around manner to make even more progress in this regard.

The second difficulty lies in the stagnation of the industrial growth rate and efficiency. Financial and tax departments at all levels should focus their efforts on promoting the readjustment of the industrial structure, the renewal and upgrading of products, and the development of brand-name, quality, new, and special products. They should focus on promoting scientific progress, the application of scientific and technological research findings, and the rapid development of township enterprises, collectively owned enterprises, and the three kinds of joint ventures involving foreign funds. They should focus on helping industrial enterprises conduct overall economic accounting, compare targets with each other, reveal shortcomings, learn from the advanced, and tap potential.

The third difficulty lies in the weak economic strength of township-level financial departments.

At today's conference, the provincial government and its general office also commended the 95 advanced units and the 66 advanced individuals that made marked achievements in 1990 in carrying out the projects of ensuring a balance between revenues and expenditures.

Liaoning CYL Plenary Session Concludes 15 Jan

SK1601032291 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 15 Jan 91

[Text] The seventh plenary session of the eighth Liaoning Provincial Communist Youth League [CYL] Committee concluded on 15 January. The session participants urged CYL organizations at various levels throughout the province to firmly embrace the idea of taking economic construction as the central task, and make contributions to promoting the province's economic stability and production development.

During the session, Provincial Vice Governor Wen Shizhen gave a report on the province's economic situation and future tasks. He pointed out: In 1990, CYL

organizations at various levels throughout the province gave play to their role as a new force and a shock brigade fairly successfully. This year marks the first year for implementing the state's Eighth Five-Year Plan. It is also a year for quality, variety, and efficiency as designated by the State Council. Young workers account for a large proportion of workers on the forefront of production. To fully boost the enthusiasm of the young workers and organize them to make contributions to economic construction is a glorious and yet arduous task for CYL organizations at various levels.

He urged CYL cadres at various levels to intensively study and understand the guidelines of the seventh plenary session of the 13th party Central Committee, uplift their spirit, and actively lead the masses of CYL members to work diligently and in a down-to-earth manner for the province's economic development.

The session participants approved a resolution on mobilizing and leading youths throughout the province to contribute in the practice of the construction for the Eighth Five-Year Plan period. The resolution points out: CYL organizations at various levels throughout the province should take the party's basic line as their guide, pay attention to the key link of improving economic efficiency, launch extensive activities of working hard in the Eighth Five-Year Plan period and dedicating their youth to Liaoning, and encourage the masses of youths to embrace the enterprising spirit and sense of responsibility, to carry forward the spirit of hard struggle, and to contribute to Liaoning's economic development.

Liaoning Exports 25.9 Percent More in 1990

OW1601085891 Beijing XINHUA in English 0846 GMT 16 Jan 91

[Text] Shenyang, January 16 (XINHUA)—Northeast China's Liaoning Province earned over five billion U.S. dollars from exports last year, 25.9 percent more than in 1989, according to the provincial statistics bureau.

Apart from oil products, the exported local products amounted to 2.51 billion U.S. dollars-worth.

The statistics show that exports from the coastal cities and the foreign-funded enterprises in the province increased at the most rapid rates.

A local official said that the province has 110 overseas trading partners, mostly in Japan, Hong Kong, the Soviet Union and the United States.

Northeast Region

Thermal Power Plant in Ningxia Begins Operation

OW1601090291 Beijing XINHUA in English 0849 GMT 16 Jan 91

[Text] Yinchuan, January 16 (XINHUA)—Northwest China's largest thermal power plant went into operation in the Ningxia Hui Autonomous Region today.

The Daba Thermal Power Plant will have six generating units with a combined capacity of 2.4 million kw.

The first generating unit, with a capacity of 300,000 kw, has already gone into operation.

Ningxia ranks fifth in the country in coal reserves and has been listed as one of China's key energy production bases.

A regional official said that when the Daba power plant goes into full operation by the end of this century it will bring Ningxia's energy industry to a new stage.

According to him, at the same time, the Lingwu Coalfield, with verified coal reserves of 27.3 billion tons, is being developed.

Song Hanliang Chairs Meeting on Plenum Spirit

*HK1601050591 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 15 Jan 91*

[Text] The third regional party committee's 16th enlarged plenary session began in Urumqi today. The session is mainly aimed at conscientiously relaying, studying, and implementing the spirit of the 13th CPC Central Committee's Seventh Plenary Session, discussing and formulating a 10-year program and an Eighth Five-Year Plan in light of the realities in Xinjiang, and discussing and adopting the Regional Party Committee Decision on Convocation of the Fourth Regional Party Congress.

Wang Enmao, Chinese People's Political Consultive Conference National Committee vice chairman and regional Advisory Committee chairman, as well as leading comrades of the regional party committee, including Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Amudun Niyaz, Zhang Sixue, (Zhang Fusheng), and others, attended the session.

Song Hanliang and Tomur Dawamat respectively presided over the session and relayed the spirit of the seventh plenary session and the important speeches made by Comrade Jiang Zemin, Comrade Li Peng, and other leading comrades of the central authorities.

A total of 445 people, including members and alternate members of the regional party committee, members of the regional Advisory Committee, members of the regional Discipline Inspection Commission, and responsible comrades of the departments concerned, attended the session.

Xinjiang People's Congress Meeting Ends

*HK1601065191 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 12 Jan 91*

[Excerpts] The 18th meeting of the seventh Xinjiang regional People's Congress Standing Committee closed successfully today.

According to the agenda delegates of all nationalities to the meeting used electronic devices to vote for the first time.

The meeting passed the Measures for Enforcing City Planning Law, the report on opinions for dealing with motions of the third session of the seventh regional People's Congress, and personnel appointments and removals. [passage omitted]

Amudun Niyaz, chairman of the regional People's Congress Standing Committee, presided over the meeting and advanced his opinions on how to study and implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee. [passage omitted]

The meeting appointed (Mang Yi Te Ke Bie Er) as director of the regional Labor Department; [words indistinct] as director of the regional Land Management Bureau; (Zhu Yongguang) director of the regional Planning Commission; [words indistinct] director of the regional Material Bureau; (Peng Shushan) director of the regional Economics Committee.

The meeting decided that (Wang Donghai), director of the regional Land Management Bureau; Liu Zonghao, director of the regional Planning Commission; (De Mu Qi Er Shan), director of the regional Material Bureau; Duan Zhengting, director of the regional Economics Committee; (Liu Hongji), director of the regional Textile Industry Bureau; and (Su Yongkang), director of the regional Economic Structural Reform Office be removed from their posts. [passage omitted]

Security Measures Against Terrorism Increased

OW1601034291 Taipei CNA in English 0232 GMT
16 Jan 91

[Text] Taipei, Jan. 16 (CNA)—The Republic of China has adopted security measures to guard against any international terrorism which might follow in the wake of a possible Gulf war, the National Police Administration (NPA) said Tuesday.

NPA said police authorities have directed air and sea ports and various police units around the island to heighten their vigilance and to prevent the entry of international terrorists into the Republic of China.

Police authorities will also closely watch all Middle East visitors here, NPA added.

Protection for Americans here was strengthened as U.S. organizations and citizens might become the target of international terrorist attacks, NPA said.

Foreign Ministry Mideast Task Force To Meet

OW1601034191 Taipei CNA in English 0243 GMT
16 Jan 91

[Text] Taipei, Jan. 16 (CNA)—The Ministry of Foreign Affairs' Middle East Crisis Task Force will hold a meeting after the United Nations deadline for Iraq to withdraw from Kuwait. The UN deadline is 1:00 PM Wednesday Taipei Time.

Ministry officials said if there are signs of war, the task force will alert Republic of China [ROC] personnel in the Middle East and will immediately begin evacuating ROC nationals.

In addition to reviewing the Government's evacuation plan, participants will also discuss the impact of the crisis on the nation and ways of coping with anticipated problems, the officials said.

A member of the task force said Jordan and Saudi Arabia had agreed to help the Government withdraw ROC nationals.

Taiwan Red Cross To Offer Aid in Gulf War

OW1601115491 Taipei CNA in English 1042 GMT
16 Jan 91

[Text] Taipei, Jan. 16 (CNA)—The Taipei-based Red Cross Society of China has informed the International Committee of the Red Cross (ICRC) that it is willing and ready to offer medicare service if war breaks out in the Persian Gulf.

The notice was sent by telegram Tuesday to the ICRC East Asia Regional Delegation located in Hong Kong, said an official of the Red Cross Society of China.

According to the Geneva conventions, medicare personnel, under the ICRC authority and agreed by parties

involved in the war, can travel to the front to see if wounded and ailing servicemen are taken care of.

The official said the Red Cross Society of China will stand by the ICRC, ready to provide medical assistance, if necessary, to the warring parties.

Minister Announces Energy Conservation Plans

OW1601041291 Taipei CNA in English 0247 GMT
16 Jan 91

[Text] Taipei, Jan. 16 (CNA)—Economic Affairs Minister Vincent Siew [Hsiao Wan-chang] announced a two-phase energy conservation plan Tuesday, one day before the expiration of the United Nations deadline for Iraq to pull out of Kuwait.

Implementation of the plan will be determined by the extent of damage suffered by the Middle East oil fields which supply 68 percent of Taiwan's imported crude oil, Siew pointed out.

In the first phase of the contingency plan, coal will replace oil as the main fuel for some of the nation's electricity generators.

Nation-wide petroleum rationing will be instituted; petroleum will be distributed to gas stations based on their past consumption records.

Austerity programs will encourage industries and businesses which consume large quantities of energy to use energy more efficiently.

Advertising neon lights will be turned off at 9 PM and recreation facilities will close earlier.

Discounts currently given to selected oil and electricity users will be slashed.

Public bus service will be increased to encourage the general populace to switch to mass transit facilities from passenger cars.

If war drags on, oil supplies tighten on international markets, and domestic oil reserves fall "significantly," television programs will be cut as part of the second phase of the energy conservation plan.

No Export Restrictions Due to War Risk

OW1601044091 Taipei CNA in English 0234 GMT
16 Jan 91

[Text] Taipei, Jan. 16 (CNA)—Minister of Economic Affairs Vincent Siew [Hsiao Wan-chang] said Tuesday that the Government was not considering restricting exports as the nation has an abundance of consumer goods.

Commodity prices have become a major concern for people everywhere with the possibility of war increasing in the Gulf.

Siew told reporters that the finance and economics ministries had agreed to lower import tariffs, if necessary, to increase imports of daily necessities.

The Commodity Price Supervisory Board will see that the supply of consumer products remains stable during the Gulf crisis, Siew added.

A ranking ministry official added that if a Gulf war looks set to last more than three months, the ministry will institute controls on petrochemical exports to ensure a stable domestic supply.

The official noted that domestic producers have petrochemical reserves large enough to keep their factories operating for three months.

"As long as the war comes to an end quickly," he said, "there will be no problem."

Foreign Trade Board Sees Trade Unaffected by War

OW1601035591 Taipei CNA in English 0253 GMT
16 Jan 91

[Text] Taipei, Jan. 16 (CNA)—Republic of China [ROC] exports will not be much influenced should war break out in the Persian Gulf because ROC manufacturers will be able to diversify their markets to other parts of the world, Board of Foreign Trade (BOFT) said Tuesday.

BOFT statistics show that ROC exports to the Middle East in 1990 fell 2.4 percent from the year before to 1.4 billion U.S. dollars, only 2.1 percent of the nation's total exports.

ROC imports from the Middle East totaled 3.3 billion U.S. dollars last year, up 17.3 percent from 1989, for a six-percent share of the nation's aggregate imports.

BOFT said the nation's major import from the Middle East is petroleum, and the Chinese Petroleum Corp. has been working to diversify import sources since the Iraqi invasion of Kuwait last August.

Major ROC exports to that part of the world include car parts, medical equipment, textiles, and garments. With war threatening the area, some exports have fallen, but shipments of other items, like medical equipment and tires, have grown.

ROC exports to the region have remained at August's level, so, in the event of war, the country will not suffer big trade losses if the war ends quickly, a trade official said.

Li, Hao, Others Pay Respects to Late President

OW1401015291 Taipei CNA in English 1542 GMT
13 Jan 91

[Text] Taipei, Jan. 13 (CNA)—President Li Teng-hui led ranking government officials to pay homage to the late President Chiang Ching-kuo Sunday, the third anniversary of the passing of the beloved national leader.

The participants included Vice President Li Yuan, Executive Yuan Premier Hao Po-tsun, and the president of the four other yuans. The ceremony was held at Chiang's mausoleum at Tahsi, Taoyuan County in northern Taiwan.

Li gave his regards to the late president's widow Chiang Fang-liang and other family members who had arrived at the mausoleum earlier.

Also paying respects to the late president Sunday were 40 ruling party officials headed by James Tsoong, secretary general of the Kuomintang Central Committee.

Mainland Urged To Accept Repatriates Regularly

OW1601085491 Taipei International Service
in English 0200 GMT 16 Jan 91

[From the "News and Commentary" program]

[Text] The Republic of China [ROC] has demanded that Communist China honor an agreement reached between the Red Cross societies on both sides of the Taiwan Strait and regularly accept the return of illegal mainland immigrants.

Government Spokesman Shao Yu-ming complained that Communist China had delayed the acceptance of mainland Chinese stowaways from Taiwan. Shao said, (according to the) agreement between the two Red Cross Societies, repatriation should be weekly. However, because of the mainland Chinese delay, 717 mainland Chinese are waiting to be sent back. If possible, all of them should be returned to the mainland before the mid-February Chinese Lunar New Year holidays, said Shao.

Since the Red Cross societies on both sides of the Taiwan Strait reached an agreement last September on the repatriation of illegal immigrants and criminals, hundreds of mainland Chinese have been sent back under the watchful eyes of the Red Cross officials.

Mainland Affairs Official on Reunification

OW1501131091 Taipei International Service
in English 0200 GMT 15 Jan 91

[Text] Chairman of the cabinet's Committee on Mainland Affairs Shih Chi-yang stated on Monday that currently it would be impossible for the two sides of the Taiwan Strait to sign an agreement similar to that between East and West Germany prior to the reunification which mapped out guidelines for reuniting.

Shih said that long-term direction of development between Taiwan and the mainland should be that of a free and democratic united China.

Shih made the remarks at the joint meeting of the Legislative Yuan's Judicial, Interior and Legal Committees on the Draft Law Governing Personnel Relations Between Taiwan and the Mainland.

In answering questions from legislators, Shih said that development of relations between the two sides should be mapped out into phases, the first being to set a legal basis for relations between the two sides, the second being mutual recognition, and the last stage would be the reunification of a free, democratic and prosperous China.

Shih said that political developments are hard to predict, and if the lifestyles between the two sides become more similar, and political changes occur on the mainland, there would be a chance for reunification.

Exiled Mainland Student Leader Arrives

OW1301015291 Taipei CNA in English 1539 GMT
12 Jan 91

[Text] Taipei, Jan. 12 (CNA)—Shen Tung, an exiled mainland Chinese pro-democracy leader, arrived in Taipei Saturday for an eight-day visit at the invitation of a daily newspaper.

She, chairwoman of the board of trustees of the U.S.-based foundation for Democracy in China, said upon his arrival that "I hope to meet all those who are concerned about the democratization of mainland China during my stay here."

A student leader in the 1989 pro-democracy demonstrations on Tiananmen Square, Shen was accompanied by Sima Tu (Marshall Strauss), executive secretary of the non-profit foundation.

She said he came to understand the real situation in Taiwan after he fled to the United States in the wake of the June 4, 1989 Tiananmen massacre.

Now studying at a university in Boston, Shen said that he is pleased to see that Taiwan has made steady progress in democratization, and that he is disappointed at mainland's slow progress in this regard.

Shen pointed out that the Peking regime has violated basic human rights by branding "promotion of democracy" as "counter-revolution," which is aimed in mainland China. He urged Peking to make public the trial of all jailed pro-democracy leaders.

Ministry Predicts More Orderly Mainland Trade

OW1501020591 Taipei International Service
in English 0200 GMT 14 Jan 91

[Text] The Economics Ministry has predicted that this year, economic and trade activities between the two sides of the Taiwan Strait will proceed in a more orderly and disciplined basis than in the past. The ministry said that in light of recent changes in the international community and increasing support for the current of national reunification, the pace of exchanges across the Taiwan Strait has become more active.

The ROC [Republic of China] Government has already established a National Reunification Committee, a

Mainland Affairs Committee, and also the private sector has established a Foundation for Exchanges Across the Taiwan Strait. The ministry emphasized that the Government hoped such organizations will pool together resources of the ROC and enable activities between the two sides of the Taiwan Strait to proceed on a more orderly basis.

Computer Personnel Bid To Help Mainland Network

OW1201021291 Taipei Domestic Service
in Mandarin 2300 GMT 9 Jan 91

[From the "News and Commentary" program]

[Text] The Consultative Service Center of the Foreign Trade Association said yesterday that, pending approval by the Executive Yuan, the association will send personnel to mainland China at the invitation of the World Trade Centers Association [WTCA], to help the mainland World Trade Center develop a computer marketing network.

The Foreign Trade Association emphasized that personnel will go to mainland in their capacity as WTCA personnel. This cooperation plan will enable the World Trade Centers across the Strait to take the first step toward formal contacts.

In its meeting on 8 January, the Mainland Affairs Council of the Executive Yuan agreed in principle to allow the Taipei World Trade Center to help its mainland counterpart set up and develop a marketing network system. However, the Foreign Trade Association indicated that the Executive Yuan's official approval is still required.

The Mainland Affairs Council of the Executive Yuan met yesterday to discuss the feasibility of the Taipei World Trade Center's project of sending personnel to the mainland, in the name of International World Trade Center, to help the mainland World Trade Center set up a computer commodity network system. The meeting decided that the council will hold further discussions and decide about the matter after the Economic Affairs Ministry assesses the pros and cons of the project.

Li, ROK Parliamentarian Hold Talks

OW1201035191 Taipei CNA in English 1522 GMT
11 Jan 91

[Text] Taipei, Jan. 11 (CNA)—President Li Teng-hui has said the Republic of China [ROC] will take an active part in shaping a new order in Northeast Asia.

During a Jan. 4 meeting with Korean National Assembly Foreign Affairs and Unification Committee Chairman Pak Chong-su, President Li said Communist China was bound to experience changes because of its "internal personnel structure" problems, a presidential press secretary said Friday.

Chiao Jen-ho quoted President Li as telling Pak that the ROC will be "a participant, not an onlooker" in the shaping of a new order in Northeast Asia.

The press officer predicted that Sino-Korean relations will remain close in the years ahead.

Trade With Thailand To Be Expanded

OW1601063991 Taipei CNA in English 1444 GMT
15 Jan 91

[Text] Taipei, Jan. 15 (CNA)—Participants in the first Sino-Thai Economic and Trade Cooperation Conference decided Tuesday in Taipei to expand trade and economic relations between the two countries.

They also decided to strengthen cooperation in developing world markets and in improving industrial technology.

Li [name indistinct], deputy director general of the Board of Foreign Trade, said after the meeting that trade between the two countries has grown rapidly in recent years with two-way trade totaling 1.8 billion US dollars in 1990. Thailand hopes to increase export to Taiwan in

order to narrow the trade gap between the two countries. Li, who was the chief representative at the conference, said discussions were held in a friendly atmosphere and set a good precedence for future cooperation between the two countries which suspended diplomatic relations in 1975.

Li Congratulates New Guatemalan President

OW1201035091 Taipei CNA in English 1545 GMT
11 Jan 91

[Text] Taipei, Jan 10 (CNA)—President Li Teng-hui has cabled felicitations to Jorge Serrano and Gustavo Espina on their election as Guatemala's president and vice president.

Vice President Li Yuan-tsui and Foreign Affairs Minister Chien Fu have also cabled felicitations to Serrano and Espina.

Serrano and Espina were elected Monday. Senior presidential adviser Li Huan left for Guatemala Wednesday as the Republic of China's special envoy to the Jan. 14 inauguration of Serrano and Espina.

Hong Kong

Wu Xueqian Meets Hong Kong Delegation

HK1601033791 Beijing ZHONGGUO XINWEN SHE
in Chinese 1424 GMT 15 Jan 91

[“Dispatch” by reporter Duo Duo (1122 1122): “Wu Xueqian Meets With a Delegation From the Hong Kong Liberal Democratic Federation”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 15 Jan (ZHONGGUO XINWEN SHE)—While meeting today with a delegation from the Hong Kong Liberal Democratic Federation which is visiting Beijing, Wu Xueqian, vice premier of the State Council, emphasized that after the Hong Kong Special Administrative Region’s founding, the central people’s government will fully respect the special administrative regional government’s high degree of autonomy. This is the Chinese Government’s consistent stand.

Wu Xueqian welcomed the visiting delegation and approved of the Hong Kong Liberal Democratic Federation’s aim of strengthening contacts with the interior and striving for Hong Kong’s stability and prosperity. Wu Xueqian said: “Without stability, everything is out of the question.”

Wu Xueqian told the visiting delegation’s members that in the transition period, the central people’s government alone can speak for the Hong Kong people. After the establishment of the special administrative regional government, the special administrative region’s affairs surely will be decided by the special administrative regional government itself, and the central people’s government will fully respect the special administrative regional government’s high degree of autonomy. If not, how can it be called “one country, two systems”?

In dealing with the economic relations and trade between the interior and Hong Kong, Wu Xueqian stressed that Hong Kong should maintain cooperation with the interior.

Wu Xueqian and the Hong Kong guests conversed for over an hour. They discussed the world situation, the Gulf crisis, cooperation between the interior and Hong Kong, Hong Kong’s public order, and so on.

The visiting delegation, comprising 10 persons and led by Hu Fa-kuang, arrived in Beijing on 13 January. This afternoon, they will meet Lu Ping, Wu Xueqian, and Ji Pengfei respectively in the Diaoyutai State Guesthouse.

Lu Ping was present at the meeting with Wu Xueqian.

Ji Pengfei, Lu Ping Meet Delegation

HK1601031791 Beijing ZHONGGUO XINWEN SHE
in Chinese 1424 GMT 15 Jan 91

[Report by correspondent Duo Duo (1122 1122): “Ji Pengfei, Lu Ping Meet Delegation From the Liberal

Democratic Federation of Hong Kong Ltd on Separate Occasions”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 15 Jan (ZHONGGUO XINWEN SHE)—Ji Pengfei, member of the CPC Central Advisory Commission Standing Committee, and Lu Ping, director of the Hong Kong and Macao Affairs Office, met in Diaoyutai on separate occasions this afternoon the visiting delegation from the Liberal Democratic Federation of Hong Kong Limited, headed by Hu Fa-kuang.

Ji Pengfei had a cordial and friendly talk with the delegation members. Li Hou and Lu Ping were present at the meeting.

Lu Ping’s meeting with the delegation, held earlier, lasted nearly two hours. During the meeting, Lu answered questions of concern from the delegates.

Lu Ping said that he had noticed that problems currently existed in Hong Kong’s public security. He said: It is undoubtedly the Hong Kong-British Government’s responsibility to maintain public order in Hong Kong. However, relevant departments (for example, the Hong Kong and Macao Affairs Office) on the Chinese mainland will also adopt necessary measures to provide assistance.

Lu Ping indicated: The issue of civil servants should be dealt with in line with the stipulations of the Basic Law, that is, after the founding of the Hong Kong Special Administrative Zone Government, except for a minority of chief officials who will be readjusted according to the stipulations of the Basic Law, the overwhelming majority of civil servants can retain their posts so long as they are willing to pledge their loyalty to the Hong Kong Special Administrative Zone of the PRC, and abide by the Basic Law.

Lu Ping on Civil Servants

HK160104991 Hong Kong HONGKONG STANDARD
in English 16 Jan 91 p 3

[Text] Civil Servants will be allowed to keep their jobs regardless of their nationality after 1997, a senior Chinese official told a visiting Hong Kong group yesterday.

In an apparent bid to boost the morale of Hong Kong civil servants, senior Chinese official Lu Ping told the group promotions of the civil servants, regardless of nationality, would be determined only by their “merits” and “performance”.

Lu Ping, chief of the Hong Kong and Macao Affairs Office, speaking to a delegation of the Liberal Democratic Federation [LDF], said China did not wish to see a “major reshuffle” among civil servants especially those in the disciplinary forces such as police in 1997 since it would lead to “political instability”.

Apart from the some 20 officials at secretary level, civil servants, “regardless of their nationality and origin”,

could remain in the Special Administrative Region government as long as they were willing to "declare allegiance" to the government after the change-over of sovereignty in 1997, Mr Lu was quoted as saying.

"Mr Lu said every civil servant, whether Chinese, expatriate or those having British right of abode, would be considered for promotion on the same criteria," said LDF chairman Hu Fa-kuang.

"Mr Lu said the main duty of Government employees 'to serve Hong Kong and Hong Kong people' and that would remain unchanged after 1997."

Beijing believed civil servants suffered from serious morale problems because of "unsure" and "insecure" prospects, according to Mr Hu.

He said in order to enhance communication and understanding, Mr Lu invited civil servant organizations to visit China, though he said "consent" from the Government was crucial on this point.

Lu Ping was also quoted as saying efforts would be made to stop the flow of mainland "offenders" who have committed crimes in the territory recently.

He said his office had given high priority to addressing the problem of immigrant criminals, according to Mr Hu.

Mr Lu told the group since the crime problem affected the confidence of Hong Kong investors, his office was "reflecting" it to higher authorities and seeking co-operation from other departments.

Mr Lu said he understood many offenders in Hong Kong came from the mainland and the Government, without help from China, could not handle the problem alone, Mr Hu said.

The LDF, which is the first Hong Kong political party to visit China, was also received yesterday by Vice-Premier Wu Xueqian who is responsible for Hong Kong affairs.

They were invited to a dinner banquet hosted by the Hong Kong and Macao Affairs Office former director Ji Pengfei.

The group concludes its four-day visit in Beijing today.

Beijing Said Displeased Over Airport Issue

HK1601045591 Hong Kong MING PAO in Chinese
16 Jan 91 p 4

[“Special dispatch” from Beijing by staff reporter Chang Ming-yi: “China Says Deliberation of Major Affairs Straddling 1997 Does Not Mean a Demand for Joint Administration”]

[Text] An informed source in China says: The Chinese authorities are very displeased with the Hong Kong Government's attitude toward the airport issue and

think the latter keeps contradicting itself, giving China the opportunity to question, but not to make amendments.

This informed source says the Chinese authorities also regard the airport issue as an economic matter, not to be dealt with at the political level. They point out that bilateral discussion is aimed at a common understanding, that China ought to have a say in major matters that outlast the transition period, and that it is not right for the Hong Kong Government to expect China to readily consent to the airport project simply after receiving a clear explanation.

He says that the Hong Kong Government's existing principle is to bring China around to its point of view and accept adjustment only, not amendment. He confirms that until 30 June 1997, Hong Kong will still be administered by Britain and China will cooperate. The request from China to examine and discuss the issue in question is out of the consideration for the responsibility that the future Special Administrative Region [SAR] must shoulder. China asks for the right to express agreement or disagreement on major matters, but it is by no means a demand for joint administration.

He criticizes those who have put forward these ideas for fabricating stories. Had it not been for the fact that this issue straddles 1997, China would not have taken a hand in it, and in any case, China does not have much energy to spare for it.

He also says Sino-British relations have improved since the 4 June incident, but problems affecting relations between China and Hong Kong have been on and off, and the airport issue is one of them.

Another informed source in China reveals: When the Liberal Democratic Federation, one of Hong Kong's political bodies, met with Hong Kong and Macao Affairs Office Director Lu Ping yesterday, the latter was still very angry about the new airport.

This source reveals: Although he agreed that Hong Kong does need a new airport, Lu Ping maintained that the new airport project should not put the SAR in debt. He cited the example of Huangtian Airport and argued that the scope of the new airport can be adjusted. He also emphasized that China is not short of specialized engineers and technicians at all, as it was even capable of building the Chang Jiang Bridge.

It is learned that when meeting with the Hong Kong Government airport expert team last week, Lu Ping expressed his displeasure over the Hong Kong Government's claim at the first round of talks that the experts on the Chinese side had not done enough. He expressed to the Hong Kong Government officials that Chinese experts are not imbeciles by any standards and that China has successfully accomplished such projects as the Gezhouba Dam and Chang Jiang Bridge.

Shanghai Mayor Meets Hong Kong Visitors

*OW1501132291 Shanghai City Service in Mandarin
2300 GMT 14 Jan 91*

[By station reporter (Zeng, Wengong); from the "Morning News" program]

[Text] On the evening of 14 January, Shanghai Mayor Zhu Rongji met with a delegation of the Hong Kong Chamber of Commerce led by Huo Yingdong [Henry Ying Tung Fok], chairman of the Hong Kong Chinese Chamber of Commerce and chairman of the board of the Hong Kong (You Rong) Company Limited, in the New Jinjiang Hotel. The delegation came to Shanghai for a visit. Mayor Zhu expressed a warm welcome to the 15

prominent figures of Hong Kong's industrial and commercial sectors on their visit to Shanghai, and briefed his guests on the latest progress in the development of the Pudong area, as well as the construction of infrastructure in Shanghai.

Liu Jingji, Huang Ju, Wu Bangguo, Wang Daohan, Mao Jingquan, and the responsible persons of the municipal Foreign Economic Relations and Trade Commission and the municipal office in charge of Pudong development participated in the meeting.

On the morning of 14 January, the delegation visited the Xinzhonghua Machinery Plant and toured the Minhang Development Zone.

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